

**SLOVAKIA HOUSING
ALLOWANCE PROGRAM**

FINAL REPORT

Prepared for



Housing Allowance Program—Slovakia
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CHAPTER 1: OVERVIEW AND FINDINGS

INTRODUCTION AND BACKGROUND

Housing Subsidies

The quality of housing has profound effects on the well being of its occupants as well as to the overall growth of a society. By developing a well functioning housing market, countries can enhance not only the quality of life for their citizens but also increase the output of the economy through substantial linkages that housing markets offer to other sectors of the economy (construction industry, infrastructure development, investment in household goods, etc.).

Nearly all countries exhibit different degrees of housing problems such as availability, affordability, and overcrowding and structural inadequacy. Governments invariably respond to these housing needs by intervening in the housing market with regulations and with housing subsidies.

In 1976, the United States Agency for International Development (USAID) commissioned a study of worldwide housing subsidies. The study's author discovered that the term "subsidy" is often interpreted differently in various contexts throughout the world. The definition this study put forth is the following and was intended to be comprehensive:

"A subsidy is a direct or indirect transfer of money or goods or services to an individual or enterprise for the purpose of carrying out activities (including the production and consumption of goods and services) which would not otherwise be feasible at their full economic cost."¹

In terms of housing, a subsidy allows a household to buy or rent housing that would otherwise be unavailable or affordable to them. The general definition above does not distinguish among the different types of subsidies that might impact the different segments of the housing market. Housing subsidies that are linked to the housing unit, either directly or indirectly, are *supply-side subsidies* while subsidies that are linked to households are *demand-side subsidies*.

The housing subsidies that have been used in Slovakia in the past have been primarily supply-side subsidies. The State, both directly and through State-owned

¹ USAID, 1977.



enterprises, paid for the construction of a large number of housing units every year. Furthermore, the State acquired a significant number of previously existing housing units that it then rented for very low cost to tenants. Since the rents in State-owned properties were inadequate to cover the costs of operation and maintenance, the State provided subsidies to the Housing Management Company to fill this gap. Through the cooperative associations, the State provided subsidized loans to allow households living in cooperatives to purchase their units.

Most of these subsidies were quite inefficient and led to an inadequate supply of housing, inefficient allocation of housing units, poor quality housing, and lack of choice in housing for households. Construction costs for State-funded housing were excessive and the quality of the housing was not very high. Waiting lists for State apartments were extremely long—households often had to wait years to get a unit. Because rents were so low, some households had a strong incentive to overconsume housing—living in units that were much too large for their needs—while other families had to double-up since they could not get an apartment of their own. The locations and types of housing built, determined by central planners in the governments often did not correspond to the needs of the people.

Housing policy in most countries is predicated on goals and rules for directing public resources into housing development. From 1991, Slovakia's housing policy orientated itself toward subsidies that, on the whole, were inefficient and inequitable at supporting housing development. First, since 1992, the State provided bonuses to households who participated in the State supported contract savings scheme regardless of their income. Additional loans were available for home purchase by the State Housing Development Fund from 1994. Later, in 1999, the Slovak Government subsidized the interest rate for mortgage loans—a type of indirect subsidy that is regressive. Though rents and utilities prices have recently increased in Slovakia, they are still at levels below the cost of providing these services.

History of the Housing Allowance Program in Slovakia

As of the year 2000, Slovakia implemented a new housing allowance (HA) program that is the country's first demand-side housing subsidy. A housing allowance is a cash payment made directly to low-income households to help them afford adequate housing. It subsidizes the demand for housing by giving money directly to consumers. Although it is a demand subsidy, it is also intended to increase the supply of housing by giving consumers greater ability to maintain and invest in housing and afford rent/utility price increases.



With the introduction of a formula-based HA program, Slovakia hopes to address the following policy issues in the emerging housing market:²

- Protect lower-income households from paying an excessive share of their income toward housing costs.
- Provide economic incentives for households to consume the right amount of housing for their needs.
- Integrate public (social) rental housing with private sector rental housing by allowing rent to increase in public housing.
- Allow rents to rise in public housing thus provide greater revenue for much needed repair and maintenance of housing.
- Move away from supply-side housing subsidies that lead to inefficient allocation of housing and use of scarce public resources.
- Increase mobility of households since housing allowances are portable (that is, they move with the household and are not connected to the housing unit).
- Stimulate the production of housing by increasing the ability and willingness of households to pay for housing (if supply responds to increases in demand through the introduction of housing allowances).

Since 1993, USAID has been working with the Government of Slovakia on the design and implementation of the HA program.³ Under the sponsorship of USAID, advisors from the Urban Institute in Washington, D.C. and Institut byvania in Bratislava have been active in promoting a system of housing allowances for Slovakia and assisting the government with setting the program's parameters. In the spring of 1995, when Slovakia was first considering the introduction of housing allowances, a major policy seminar was conducted in Bratislava under the joint sponsorship of USAID, the Ministry of Labor and Social Affairs (MLSA), and the Ministry of Construction. This two-day seminar was followed with additional seminars co-sponsored by the Association of Towns and Villages (ZMOS) and USAID. In addition, a joint campaign to educate the public was initiated through a series of articles in nationwide publications.

² First reported by Struyk, et al., 1994.

³ The original analysis on the feasibility of a housing allowance program was prepared for the Czech and Slovak Federal Republic in 1992. Following the split of the country, work continued with the government of the Slovak Republic.



The MLSA submitted a draft housing allowance law to government ministries and agencies for comment during March 1999. The housing allowance law is based on the draft *Law on Housing Allowances* that was written in 1996 and took into consideration recommendations made by Urban Institute staff working under USAID sponsorship. Based on a preliminary overview, the new law incorporates many of the allowance design features that were part of the previous law, with minor modifications to eligibility criteria (more restricted) and the reference period for income testing (shortened from one year to six months).

The law is supported by data derived from the Housing Allowance Income Support (HAIS) model, which was designed by the Urban Institute under the USAID sponsorship. While working with staff from the MLSA, the Urban Institute technicians constructed the HAIS simulation model to assist the MLSA with setting program parameters (housing allowance formula design, determining number of eligible households, and accessing interaction with other social programs) and to measure the budgetary impact of a housing allowance system. By using the model, policy makers could test different program designs and estimate the number of beneficiaries, the type of beneficiaries, and the total cost of a housing allowance system (exclusive of administration costs).

The law authorizing the HA program was passed by the Slovak parliament in October 1999.⁴ The law provided for a means-tested system of housing assistance available to all households in the country. Households qualify for an allowance if their income is below a certain level. The amount of the benefit is determined by a formula that takes into account the size of the household, its income, the cost of adequate housing, and the percentage of income that a household should be expected to spend on housing. The HA program began operation in January 2000, and as of April 2000 over 55 thousand households had enrolled in the program and were receiving benefits.⁵

Coinciding with expected adoption of the HA program, the Government deregulated residential utility prices (heat/hot water by 21 percent, electricity by 30 percent and water/sewage by 20 percent) and rent (by 30 percent). Price liberalization in the residential housing sector was a good development for the country on the whole since it will allow a more rational distribution of scarce government resources. With utility price increases, providers of these services rely less on government subsidies and have more funds to allocate toward cost-effective distribution networks. Rental housing in particular will benefit from liberalized rent through the collection of additional revenues that can be allocated toward repair and maintenance.

Recognizing that this was a completely new form of assistance for Slovakia, the MLSA asked USAID to assist them in implementing the HA program. Beginning in

⁴ *Law on Housing Allowances*, October 1999 Republic of Slovakia.

⁵ Information provided by the Ministry of Labor and Social Affairs, July 17, 2000.



October 1999, advisors from the Urban Institute and Institut byvania worked with staff from the Ministry designed a public information campaign and to set up a pilot monitoring and evaluation system for this new program. The pilot monitoring and evaluation was intended to give the Ministry useful information on the program through the first few months and to provide a model for a broader evaluation in the future.

Organization of the Report

The purpose of this report is to describe the results of these activities and to provide guidance to the Ministry on key issues that have emerged in the early stages of the HA program. The remainder of this chapter describes the past and current situation regarding housing policy and social welfare policy in Slovakia. We then explain how the HA program works in general and describe its implementation in Slovakia.

The next part of the chapter begins with an explanation of the importance of monitoring and evaluating social programs. This is followed by specifics on design of the monitoring and evaluation pilot and a summary of the important findings from this pilot. Finally, the chapter concludes with a discussion of key policy issues that emerged from this investigation. This includes recommendations for the government of Slovakia on implementing a continuing system of monitoring and evaluation for the HA program.

The second chapter in this report explains in more detail how we conducted the monitoring and evaluation pilot. Copies of the actual survey questionnaires and discussion guides are included as annexes to this report. This material should serve as a practical resource for the government in future monitoring and evaluation activities.

THE SYSTEM OF SOCIAL PROTECTION IN SLOVAKIA

The reform of the system of social protection in Slovakia has been proceeding on the basis of a division of benefits into three separate categories: social insurance, social assistance, and social support.

Social insurance is now separate from the state budget and financed by a system of compulsory contributions. It is intended to protect individuals against losses of income that are, at least in principle, insurable (due to retirement, loss of a job, illness, disability due to an accident or a chronic health condition). The major types of benefits issued by the social insurance system are old age, disability, and survivor pensions, sickness benefits, and unemployment benefits. These benefits can be designed to have a distributive function, but redistribution of income is not their overriding goal.

Social insurance is quantitatively the largest component of the overall system of social protection, since it distributes benefits equal to about 20 percent of gross national produce (GNP) and has about 1.4 million beneficiaries, representing about 25 percent



of the population. However, because its benefits are not in general means-tested, it is also the component whose coordination with housing allowances poses very few problems.

The design of the system of *social assistance* derives from the basic principle that all citizens of Slovakia are entitled to a minimum level of income. Such a minimum level is established by the Subsistence Minimum Law, and is updated periodically to account for inflation and changes in per-capita income. At present, benefits are paid out according to the following allocation: for one person, the subsistence minimum is 3,230 Slovak crowns (Sk), for each additional adult in the household it is 2,660 Sk and for each child in the household it is 1,460 Sk.⁶

The social assistance benefits are intended to support households who are “socially dependent,” a criterion that is based essentially on having resources below the subsistence minimum. The basic form of intervention is a cash benefit equal to the difference between the income available to the household and the subsistence minimum. For social assistance benefits, household income is considered for eligibility and benefit calculations observed in the preceding 12 months, and the household is subject to a verification of income every six months. The establishment of eligibility also requires the verification of assets owned by the household.

The presence of children is not, per se, a condition of eligibility for social assistance. For example, in the first four months of 1997 about 90,000 families with children received social assistance, as well as about 90,000 families without children (whose members must be registered as unemployed). Pensioners are not directly entitled to the basic social assistance benefit, because the minimum pension is already set at the level of the subsistence minimum. However, pensioners might be eligible for supplemental assistance in special cases, as are persons with disabilities. In cases of special needs (such as the need of a special diet) the subsistence minimum is raised by a predetermined amount. The magnitude of this benefit on the State budget is considerable with total expenditures on social assistance projected to be a little less than 6 billion Sk. During the past year, the Government of Slovakia has restricted eligibility criteria for social assistance due to pressure by the Ministry of Finance to reduce overall State expenditures.

The broad aim underlying the design of the third category of assistance, *social support*, is that it should comprise a range of benefits which, though not covered by social insurance or social assistance, will be available to people whose income might be above—in some cases substantially above—the subsistence minimum. Social support should be a means of assisting families with members not yet able to earn their living and those facing “special life events” with which they could not cope unaided. With few

⁶ At the time of this report, one Sk was approximately equal to 2.22 U.S. cents. The subsistence minimum levels here were those in effect for the first six months of 2000. As of July 1, the levels were increased to 3,490 Sk for the first adult, 2,400 Sk for each additional adult, and 1,580 Sk for each child.



exceptions (such as birth and funeral grants), all benefits under the social support system are subject to a means test. The testing of income has become more restrictive over time.

There are several types of assistance that fall under the category of social support. Child allowances—both “regular” and “supplemental”—are the benefits within social support that absorb the largest share of resources and serve the largest group of beneficiaries. About 70 percent of all families with children are currently eligible for child allowances, with a budget of over 10 billion Sk in 1996. The second most costly social support program is parental allowances, which are paid to parents who care at home for young children. Next are housing allowances, which are available to all households who qualify on the basis of income, irrespective of the presence of children. The State budget allocated 1.6 billion Sk for housing allowances in 2000. All the remaining forms of social support (such as birth and funeral grants, student stipends, benefits for persons with serious handicaps) taken together represent less than the allocation of funds for housing allowances. Since social support programs (including the housing allowances, are prescribed by law) income from these programs is counted toward eligibility criteria of social assistance—the benefit of last resort.

THE HOUSING ALLOWANCE PROGRAM IN SLOVAKIA

Slovakia introduced a formula-based housing allowance as of January 1, 2000. This new social support program incorporates a means-tested housing allowance based on the following formula:

$$HA = MHC - (r \cdot Y)$$

Where:

HA = The housing allowance benefit paid monthly to the family directly.

MHC = The minimum housing costs (**MHC**), representing the monthly cost of reasonable and adequate housing, including rent and utilities, for a household. The **MHC** is based on the size of the household and was set at the following levels at the start of the HA program:

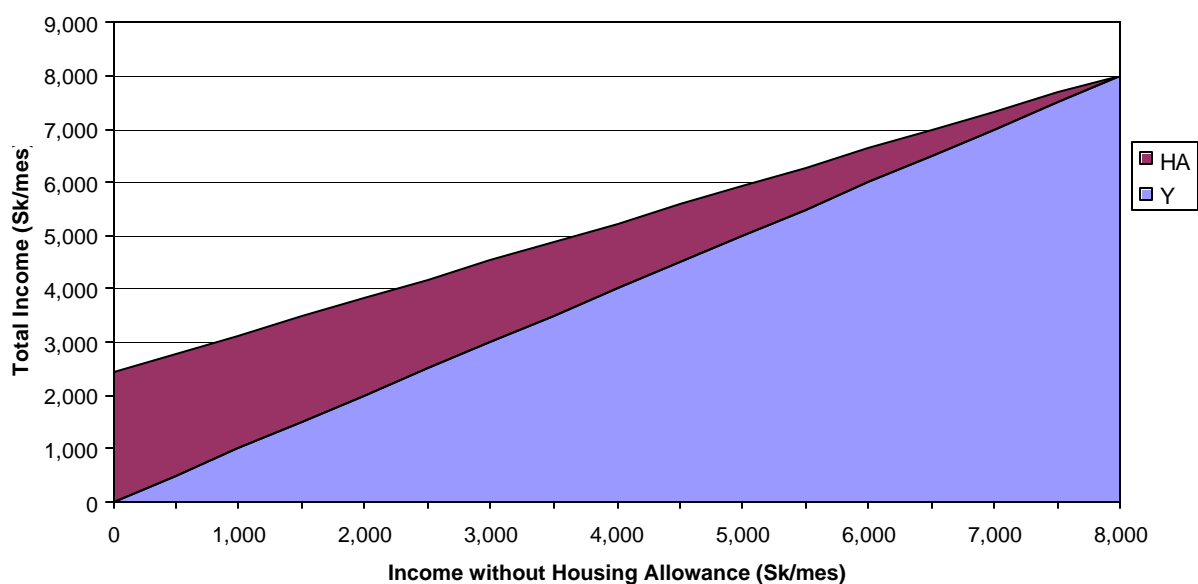
- 1 person household = 1,410 Sk
- 2 person household = 1,750 Sk
- 3 person household = 2,090 Sk
- 4 person household = 2,430 Sk

- r** = The coefficient representing the maximum fraction of income a family is expected to spend on housing, set at 30 percent for the HA program.
- Y** = The total monthly income of the household, based on the calendar half-year preceding the calendar half-year during which the household applies.

A household may receive a housing allowance payment only if its monthly benefit **(HA)** is 50 Sk or more.

Figure 1 gives a graphical representation of the housing allowance formula. The lighter-shaded lower area of the graph represents the income of the household without a housing allowance. The darker area above indicates the amount of the allowance that the household would receive. For instance, a four-person household with no income (0 Sk) would receive the maximum allowance for a household of that size, 2,430 Sk per month. As the household's income rises, the amount of the allowance payment gradually decreases. When the household's income goes above 7,933 Sk per month, it is no longer eligible to receive an allowance.

Figure 1
Standard Housing Allowance





A key feature of a housing allowance is that the benefit is paid directly to the household and is not tied to a particular housing unit. Housing allowances are “portable,” meaning that the household keeps its benefit even if it moves to another dwelling. Housing allowance recipients therefore have the freedom to find their own housing and are responsible for negotiating leases with landlords and making all other arrangements for the provision of their housing. In principle, housing allowances should allow for more mobility of households, but the condition of the housing market, the design of the program’s parameters (to what extent does the allowance contribute toward housing costs) and other factors also influence household mobility.

Another important feature of the housing allowance is that it encourages households to work since the benefit reduction rate, the amount by which benefits are reduced as recipients earn more income, is less than one. For each additional 1 Sk of income a household earns, its housing allowance payment is only reduced by 0.30 Sk. Therefore, a household is able to increase its total income by increasing earnings. In contrast, programs guaranteeing a flat minimum income, such as social assistance, have a benefit reduction rate equal to one. For such programs, a household loses 1 Sk of benefit for each additional 1 Sk it earns and so its total income will not increase. This provides very little incentive for households to work, earn more money, and eventually become self-sufficient.

The implementation of the new HA program presents many challenges for the MLSA. For example, the determination of the **MHC** and **r** (share of income devoted to housing) will have a bearing on the number and type of households eligible to receive a housing allowance. Both parameters determine the size of the benefits paid to households and therefore can affect participation in the program as well. They also influence the extent to which the program will have an impact on the housing sector. (The implications of changing **MHC** and **r** will be discussed further in the section on key issues, later in this chapter.)

In addition to the income formula, there are other criteria that determine a household’s eligibility in the program. Unlike housing allowances in some other countries, the Slovak HA program is available to both owner and renter households alike.⁷ The applicant must be the legal resident of the housing unit, which must be his permanent domicile in the Slovak Republic. The applicant needs to be able to provide proof of legal residency for himself and for all other household members. This eliminates from eligibility for the program people who are subletting apartments. Owners must also provide documentation of legal title to the housing unit or rental agreement. In addition, households must have paid in full all applicable housing costs (rent, repair and maintenance fees, utilities, property taxes, and so on) for the preceding calendar half-year.

⁷ Like Slovakia, HA programs in Russia, Ukraine, and Estonia are available to all households regardless of whether they own or rent.



Since it is part of the system of social support, housing allowances fall under the jurisdiction of the MLSA. Administratively, Slovakia is divided into eight regions, which are further subdivided into 79 districts. The Ministry maintains a network of offices in each of the regions and districts, through which it administers social programs, including the housing allowance. The regional offices oversee and coordinate the activities of the district offices and report directly to the Ministry. The district offices handle direct interaction with recipients of social programs.

To apply for a housing allowance, an applicant must go to his local district office and submit an application form and any necessary supporting documents. The application form is standardized across the country but the documentation required from households can vary somewhat depending on the policies and practices of the district and regional offices. Based on the information in the application, the district office determines whether the household qualifies for a housing allowance. They are also responsible for processing the payments to the recipient households each month.

All district offices maintain set office hours when people can come in to apply for social programs, usually two or three days during the week. On days when the office is not open to the public, the staff work to process applications and other related administrative duties.

As part of the funds set aside for the HA program in the first year, about 500,000 Sk were allocated in the State budget for hiring additional district office staff and purchasing computers and other supplies needed to administer the program. A new software system was developed to administer all social programs in district offices. This software included a module for processing housing allowance applications, and allows district office staff to determine easily if a person is receiving benefits from other social programs administered by the MLSA.

Since the housing allowance was a new program for the country, the MLSA began a public information campaign to make people aware of its existence and to educate the public on the program's requirements and benefits. With the support of USAID, the Urban Institute in collaboration with the Ministry wrote and designed a brochure explaining the program. About 500,000 copies of this brochure were distributed to all of the district offices throughout the country. The brochures are provided free of charge and given out at district offices upon demand. (A copy of the brochure is in Annex A.) In addition, the Ministry's campaign included informational spots on the television news, including an appearance by the Minister, interviews with Ministry staff on the radio, and a description of the program published in three national daily newspapers.

Furthermore, households receiving social support were told about the program directly by the district offices. Since housing allowances are part of the system of social support, households must apply for housing allowances first before they can apply for



social assistance (the benefit of last resort). Households who were already on social support prior to January were notified by mail or telephone that they needed to come in to apply for the housing allowance or they would lose their social support benefits.

IMPORTANCE OF MONITORING AND EVALUATION OF SOCIAL PROGRAMS

Since housing allowances are a completely new program for the country, there are many issues that need to be resolved about how the program is working before any proposed changes are contemplated. For example: How well are housing allowances being implemented? Are housing allowances reaching all potential beneficiaries? What effect do housing allowances have on families and on the housing sector? Does the MHC component of the housing allowance formula needs to be adjusted to reflect true cost of housing by city or region? A monitoring and evaluation system can help to answer these and other important questions and guide policy makers in modifying the program.

The theory and practice of monitoring and evaluation of social programs has a long history, particularly in North America and Western Europe. But, there has been a greater interest in this subject as governments everywhere are faced with increasing costs for social and housing programs and growing concern that public and private monies are being used effectively and that social programs are achieving their desired goals. For example, the World Bank and USAID now conduct as many as 250 program evaluations a year,⁸ and the U.S. Congress has passed a law requiring all U.S. government departments to design and implement performance measuring systems for their programs.

Monitoring and evaluation systems are used for a variety of purposes. First, such systems can be used to give basic feedback to administrators as to whether the program is being operated efficiently and effectively. Such information can be used to detect and correct current problems in operating the program or to anticipate future difficulties, such as changes in the number of persons/households that participate in the program. Second, monitoring and evaluation can provide a means of verifying that the program is accomplishing its desired goals, such as raising the income of families or increasing the supply of affordable housing. Third, this information can help policy makers coordinate different types of programs to achieve some broader societal goals, such as encouraging economic development or improving the self-sufficiency of families.

⁸ Valadez and Bamberger, 5.



Monitoring Government Programs

Monitoring has been defined as: “a continuous internal management activity whose purpose is to ensure that the program achieves its defined objectives within a prescribed time frame and budget.”⁹ Monitoring is concerned with what are often called the “outputs” of a program. That is, those aspects of the program that are a direct result of its implementation. In the context of the HA program, outputs would include the number of households that apply for and receive the allowance, the number of applications processed, and the amount of allowances paid by the program.

There are various methods used to obtain information for monitoring purposes. The first is to use administrative data that is collected as part of the operation of the program. This would include data from applications, accounting data on payments and administrative costs, and records of a participant's involvement in the program. While this information is usually gathered for administrative purposes, evaluators are increasingly recognizing the value of such data for analysis of the program, and for informing changes in program parameters.

A second technique used to gather information for monitoring is to conduct interviews with a sample of program participants. The interview can be in the form of a written questionnaire, which asks a series of structured questions, or as a more open discussion with one or more participants. Information gathered in this way can include data not available from administrative records, such as their use of additional private assistance programs, their experiences with the program's administrative staff, or their problems in meeting particular program requirements.

In addition, one can conduct interviews with administrative staff to gain more information about the operation of the program at a local level. Questions asked during these interviews can be about the staff's experiences administering the program and dealing with applicants. It can also be used to get more details on what procedures are used in different offices and whether some are more effective than others are. For example, some offices may have a more effective system of oversight and review to ensure that applications are completed correctly and in a timely manner.

Finally, it is possible to conduct interviews with people who are eligible but do not participate in the program. Such information can be very valuable in determining why the program may not be reaching all of the people who are intended beneficiaries.

⁹ Valadez and Bamberger, 12.

Evaluation of Government Programs

Evaluation has been defined as a: “management activity to assess the appropriateness of a program’s design and implementation in achieving both specified objectives and more general development [goals].”¹⁰

Evaluation of social programs is usually more difficult to carry out than monitoring, but often reveals more valuable information. Whereas monitoring deals with the direct results of program activities (outputs), evaluation is concerned with what are called program “outcomes.” Outcomes can be thought of as the ultimate impacts of the program on the population or housing stock—the effects produced beyond the program itself. Outcomes deal with questions such as: Did housing allowances improve the well-being and economic security of beneficiary households? What effect did housing allowances have on the rental market or turnover of existing housing? How did the HA program affect the use of other social allowances?

Many of the same information gathering methods used for monitoring are also useful for evaluation purposes—using administrative data, conducting interviews with participating and nonparticipating households, and talking to program staff. The difference is in the types of questions that are asked, the types of populations studied, and how the information is used. So, for example, an interview for evaluation purposes may attempt to determine how a household has made choices about its housing given the existence of the HA program.

Since an evaluation deals with issues relating to impacts outside of the program itself, it is often useful to relate the use of the program to certain indicators of change or well being in the community. These indicators can represent the desired outcomes of the program. This could include social indicators, such as the level of unemployment and the incidence of social problems, and housing indicators, such as the physical quality of housing and the level of investment in the housing stock. Such indicators can be compared over time, between different populations, and among different geographic areas of a country, region, or municipality.

Since the outcomes of interest may be only partially affected by the program itself, the problem is to determine the effect of the program on the outcome. For example, housing quality is influenced by a number of factors, including the state of the economy, the condition of the housing market, the cost of building materials, and the availability of mortgage loans. In addition, households who use the HA program may differ in some significant way from those who do not. So, it is important to try to isolate the program impacts from these other factors.

¹⁰ Valadez and Bamberger, 13.



HOUSING ALLOWANCE MONITORING AND EVALUATION PILOT

As discussed above, there are many issues involved with implementing a HA program. The success of the program can depend on how well the various program parameters are set, whether people are using the program, whether the benefit levels are appropriate, and so on. Therefore, the MLSA wanted to be able to get some information on how well the program was functioning and whether it was effective in achieve the goals that had been established for it. At the Ministry's request, staff from the Urban Institute and Institut byvania, under sponsorship of USAID, developed and implemented a pilot monitoring and evaluation system for the HA program.

As the first step, the Urban Institute formed the Housing Allowance Pilot Monitoring and Evaluation Advisory Group that consisted of the stakeholders in the HA program. Representatives included the MLSA, Ministry of Finance, Ministry of Construction and Regional Development, staff from the regional and district offices of the MLSA who administer the program, academics from Universities who are interested in promoting housing development in Slovakia and researchers affiliated with the various Ministries involved with the HA program. The Advisory Group met on a period basis to guide the implementation of the Pilot Monitoring and Evaluation system by making recommendations on the design of the questionnaire, discussing the importance of monitoring and evaluating government programs, and participate in the evaluation of the data that was derived from the survey. In total, the Advisory Group met five times over the course of the Pilot.

As a *pilot* monitoring and evaluation system, our investigation was limited in its scope and representativeness. We were only able to evaluate the HA program in one district of Slovakia, Nitra district, and at one point in time during the very early stages of the program. The situation in the country is of course changing constantly, and some of the results presented in this report will be different if they are reexamined a year or even a few months from now.

The overall goals for the pilot were as follows:

- Learn about the current use of the HA program:

Who is benefiting from the program? What types of families are benefiting? Which families are not participating in the program? Why are they not participating?

- Determine how well the program is being implemented:

How well are district office staff able to process applications for the HA program? Do staff follow a uniform set of procedures in evaluating a household's qualifications? Do households with similar circumstances

(income, housing type, etc.) receive the same treatment? Are district office staff able to get proper guidance from the regional office and the MLSA on how to administer the program? Are record keeping procedures adequate for tracking the performance of the program?

- Establish a baseline for tracking longer-term effects and impacts of the program:

Longer-term impacts cannot be evaluated given the limited scope of this pilot. Nevertheless, we can establish some baseline conditions that can be used to answer the following questions about the HA program's impacts. What are the impacts on families who get housing allowances? What is the impact on housing consumption? On the price of housing? On housing quality? On family mobility?

- Provide a model for a future, larger-scale monitoring and evaluation system:

What is needed to move from the pilot to a national monitoring and evaluation system? What information needs to be gathered about the program, its participants, and its administration? How can that information be used to track program performance and impacts? Whether the monitoring and evaluation pilot can be used to track/monitor other housing/social programs in Slovakia?

The pilot monitoring and evaluation program was implemented in Nitra district. The choice of district was based on the following criteria:

- Number of households receiving housing allowance
- Number of eligible households (estimate based on unemployment rate)
- Proximity to Bratislava (to reduce costs of the pilot)
- Variety of housing and households in district
- District size
- Level of cooperation offered by District Office

Nitra district has a population of about 163,200 persons and consists of Nitra city (population 87,500), the town of Vrable (9,700), and a number of smaller towns and villages, each fewer than 5,000 persons. According to the MLSA, as of April Nitra region had the second largest number of housing allowance recipients (9,137), after the Kosice region (10,627).

The main district office is located in Nitra City, but a subsidiary office in Vrable serves that town and its neighboring communities. Since housing allowance records are kept separately in each office, we excluded the area administered by the Vrable office from our pilot. The excluded area amounts to less than 10 percent of the district

population. At the time we conducted our pilot (May 2000), about 884 households living in the pilot study area were enrolled in the HA program (about 1.8 percent of all households).

There were three basic components to the monitoring and evaluation pilot:

- Analysis of administrative data: Information from application forms and financial reports from district and regional offices.
- Household survey: A survey of program participants and non-participants in one district.
- Evaluation of district and regional office operations and procedures: Observations of how district and regional office staff are implementing the HA program.

A brief description of each of these components is given below. A more detailed discussion of the methods used in the pilot, along with suggestions for further improvement and expansion by the Slovak Government, is provided in the second chapter of this report.

Analysis of Administrative Data

There were two sources of administrative data looked at in this pilot. The first was summary reports generated by the software used by the district offices to administer the program. This data included the numbers of households receiving a housing allowance and the amount of allowances paid by size of household, type of housing ownership, and size of monthly allowance. Some of this information is compiled by the regional offices and transmitted to the Ministry every month.

The second source was individual-level (disaggregated) data on program applicants that is stored by the software. This included information entered from the hand written application into the software system. The individual-level data included more data than available from the summary reports. We were able to obtain individual-level data on program applicants from the Nitra district office.

Household Survey

As part of the pilot monitoring and evaluation, we conducted a survey of households in the Nitra district. The purpose of this survey was to gather more information than what was available from the administrative data. For example, we asked program participants questions that are not asked on the application form, especially concerning their housing and whether housing allowances are effective for



covering their housing expenses relative to their income level. We also interviewed people who are not participating in the HA program but are eligible to participate.

A copy of the questionnaire that was used for the household survey may be found in Annex B. The survey collected basic information about the household, including questions about housing costs and income. It also asked a series of questions related to the HA program, such as whether households had heard about the program, how they heard about it, and whether they had applied for a housing allowance. The survey was designed so that the results would be generally representative of the population of Nitra District.

We used students from the Geography Department of the Constantine the Philosopher University in Nitra as interviewers for the survey, and completed 1,022 questionnaires in the district. There were two types of interviews in the survey. The first was a door-to-door survey of 852 households. This gave us a good representation of the population of the district. Because the participation rates in the HA program are fairly low at this time, however, this first group included very few program participants. We therefore conducted a second set of interviews with people who were actually receiving a housing allowance. With the cooperation of the district office, we were able to contact 150 people currently enrolled in the HA program. This allowed us to obtain a representative sample of housing allowance recipients.

The household survey allowed us to get more information on people participating in the HA program than was available from the application forms. It also allowed us to learn more about who was informed about the program and who was not. Finally, the survey allowed us to estimate the “participation rate” for this district, which is defined as the total number of households receiving a housing allowance divided by the number of households who are eligible to receive an allowance.

Evaluation of District and Regional Office

This part of the evaluation enabled us to determine if the HA program is being operated effectively and to learn about any problems that may exist in the administration of the program. We conducted interviews with Nitra district and regional office staff to learn about their experiences with the HA program and what problems they have encountered thus far. A copy of the guide used for these interviews may be found in Annex C. We also observed directly the procedures and practices of the district offices for taking program applications and keeping records.

FINDINGS

This section of the report presents the basic findings from the housing allowance monitoring and evaluation pilot in Nitra district. The findings are organized into four topics: characteristics of Nitra households, participation in the HA program, administration of the HA program, and baseline conditions for longer-term impacts. A discussion of the implications of these findings for the HA program is provided in the following section on key issues.

Characteristics of Nitra Households

Table 1 describes the characteristics of the households from our survey in Nitra district. Most of the district population lives in the city of Nitra (59 percent). The next section of Table 1 gives the breakdown of households by per capita income. Forty-six percent (46 percent) of the households have monthly income of 4,000 Sk per person or less.

Table 1
Number of Households by Characteristics—Nitra District

	HHs	Pct.
All households	48,000	100
Municipality		
Nitra City	28,320	59
Villages	19,680	41
Per Capita Income (Sk/mo.)		
0—2,000	3,840	8
2,001—3,000	8,160	17
3,001—4,000	10,080	21
4,001—5,000	14,880	31
5,001 or more	11,040	23
Ownership		
Family house	25,920	54
Cooperative	8,640	18
State co. rental apt	5,760	12
Municipal rental apt	4,320	9
Condominium	3,840	8
HH Size		
1 person	7,200	15



	HHs	Pct.
2 persons	11,520	24
3 persons	7,200	15
4 or more persons	22,080	46
Family Type		
Single pensioner HH	6,240	13
Two pensioner HH	6,720	14
Pensioner in mixed HH	10,080	21
Nonpens. HH without children	5,280	11
Nonpens. HH with children	20,160	42

Source: HH Survey (n=1,022)

The most common type of housing in Nitra district is a family house (54 percent of all households)¹¹. Next is cooperative housing (18 percent), state company rental housing (12 percent), municipal rental housing (9 percent), and, finally, condominium or privatized apartments (8 percent).

The HA program differentiates households according to the number of persons for the purpose of determining the level of the **MHC**. Most households have four or more persons (46 percent). Next is two-person households (24 percent), and finally one and three-person households (each at 15 percent).

The last section of Table 1 provides a break down of the district population according to “family types.” These categories represent various types of families who might be responding differently to the HA program. The first is “single pensioner households,” that is, one pensioner living alone. The second category is “two pensioner households,” two pensioners without any other persons. Next is “pensioner in mixed household,” which are one or more pensioners living with other persons. The last two categories are households without any pensioners present. The first is households without children; the second households with children. Families with children are the largest group of households, making up 42 percent of the population.

Participation in the Housing Allowance Program

An important issue in the evaluation of the HA program is whether eligible households are actually participating in the program. Tables 2a and 2b show estimates of the housing allowance participation rate for different types of households. The “participation rate” is defined as the percentage of households actually receiving housing allowance benefits out of those eligible for an allowance. Overall in Nitra

¹¹ Family house is a term used in Slovakia to denote single-family owner-occupied housing.



district, there are 6,422 households that have incomes that would make them eligible for a housing allowance. This represents 13 percent of the entire household population in the district. Of these eligible households, only 844 households were actually receiving a housing allowance at the time of the survey. This equates to a participation rate of 13 percent.¹²

Table 2a
Housing Allowance Eligibility and Participation—Nitra District

	Eligible for HA		Receiving a HA	
	HHs	Pct. of Population	HHs	Participation Rate
All households	6,422	13	844	13
Municipality				
Nitra City	3,333	12	578	17
Villages	3,089	16	266	9
Per Capita Income (Sk/mo.)				
0—2,000	2,177	57	226	10
2,001—3,000	1,102	14	194	18
3,001—4,000	1,440	14	324	23
4,001—5,000	1,698	11	95	6
5,001 or more	*	*	*	*
Ownership				
Family house	3,430	13	321	9
Cooperative	1,341	16	214	16
State co. rental apt	946	16	79	8
Municipal rental apt	525	12	182	35
Condominium	177	5	45	25

Source: HH Survey (n=1,022)

Notes: Eligibility determined based on HA income criteria.

Participation rate = HHs receiving HA / Eligible HHs.

* Approximately zero (0).

Table 2b
Housing Allowance Eligibility and Participation—Nitra District

	Eligible for HA		Receiving a HA	
	HHs	Pct. of Population	HHs	Participation Rate

¹² In Russia and other countries, during the first year of the housing allowance program the participation rates were low but during the second year of the program, the participation rates dramatically increased.



	Eligible for HA		Receiving a HA	
	HHs	Pct. of Population	HHs	Participation Rate
All households	6,422	13	844	13
HH Size				
1 person	3,147	44	391	12
2 persons	953	8	144	15
3 persons	508	7	99	19
4 or more persons	1,814	8	211	12
Family Type				
Single pensioner HH	2,702	43	231	9
Two pensioner HH	398	6	23	6
Pensioner in mixed HH	782	8	127	16
Nonpens. HH without children	568	11	210	37
Nonpens. HH with children	1,971	10	252	13

Source: HH Survey (n=1,022)

Notes: Eligibility determined based on HA income criteria.

Participation rate = HHs receiving HA / Eligible HHs.

In these tables and those that follow, we define households as being “eligible” for a housing allowance if their income is such that they would receive a benefit of 50 Sk or more based on the housing allowance formula. As discussed earlier, there are other criteria for eligibility in the program. To receive a housing allowance, the applicant must also be the legally registered owner or tenant of the unit and must have paid all applicable housing charges for the past six months. Two questions in our survey were designed to ask about these requirements. Ninety-eight percent (98 percent) of all eligible households not receiving a housing allowance said that they were permanent residents of their unit, and 89 percent said that they had paid all housing charges for the past six months. So, these two requirements do not appear to be a major obstacle for people to participate in the program at this point. (But they may be an issue to look at in the future.)

If we look at the participation rates separately for households in the city of Nitra and in the outlying villages, we see that the participation rate is 17 percent in the city and only 9 percent outside the city. As would be expected, a high percentage of households with very low incomes are eligible for a housing allowance—57 percent of households with monthly per capita income of 2,000 Sk or less. But, relatively fewer of these households participate in the program (10 percent) compared with households with per capita incomes between 2,001 and 3,000 and between 3,001 and 4,000 Sk (18 and 23 percent, respectively).



When we examine eligibility and participation by housing ownership, we see that the largest number of eligible households are living in family houses, but only 9 percent of these are actually participating in the program. In contrast, a much smaller number of eligible households live in municipal rental apartments and condominiums, but a higher percentage of these households actually participate (35 and 25 percent, respectively).

The first section of Table 2b indicates the participation rates by size of household in Nitra district. This is important because the minimum housing cost (**MHC**) levels are set according to the number of people living in the unit. Actually, there is not much difference in the participation rate among the different groups. The rates range from 12 to 19 percent. We observe, however, that while a very small percentage of households of two or more persons are eligible for a housing allowance (7 to 8 percent), almost half of all one person households qualify based on their incomes. This may indicate that the **MHC** levels need to be changed so that larger families would be eligible.

In the second part of Table 2b reports the participation rates by family types. We can see that the largest participation is in non-pensioner households without children (37 percent). In contrast, only 13 percent of eligible families with children are participating. In the groups of single and two pensioner households, a very small percentage participate (9 and 6 percent). Consistent with the results by household size, we see that a very large proportion (43 percent) of single pensioner households are eligible for a housing allowance.

The previous results show that a very large number of eligible households are not yet benefiting from the HA program. This is not a particularly surprising result, given that the housing allowance is a new program. Even after several years of existence, it would be unrealistic to suppose that all eligible households would participate in the program. Nevertheless, it is important to compare the groups who are and are not receiving a housing allowance and ask why some households might not be taking part.

Table 3 compares the characteristics of eligible households who are both receiving and not receiving a housing allowance in Nitra district at the time of our survey. We can see that, with a few exceptions, the two groups are somewhat similar. Households receiving a housing allowance are more likely to live in Nitra City than those eligible households not receiving one. The non-recipient group also includes more households at the lower and upper ends of the per capita income range (2,000 Sk or less and 4,001 to 5,000 Sk), while the housing allowance recipients are more likely to have incomes in the middle ranges (2,001 to 4,000 Sk).



Table 3
Characteristics of Eligible Recipient and Non-recipient Households—Nitra District

	Percent Recipient HHs	Percent Non-recipient HHs
Municipality		
Nitra City	69	50
Villages	31	50
Per Capita Income (\$k/mo.)		
0—2,000	26	35
2,001—3,000	23	16
3,001—4,000	38	20
4,001—5,000	12	29
5,001 or more	1	—
Ownership		
Family house	39	55
Cooperative	24	20
State co. rental apt.	10	15
Municipal rental apt.	22	6
Condominium	5	3
HH Size		
1 person	47	49
2 persons	17	14
3 persons	12	7
4 or more persons	24	29
Family Type		
Single pensioner HH	28	44
Two pensioner HH	3	7
Pensioner in mixed HH	16	12
Nonpens. HH without children	25	6
Nonpens. HH with children	29	31

Source: HH Survey (n=281)

Notes: Eligibility determined based on HA income criteria.

Eligible households not receiving a housing allowance are more likely to live in family houses, while recipient households are more likely to live in municipal rental housing. In terms of household size, the two groups are almost identical. But the households receiving a housing allowance include a larger proportion of non-pensioner households without children, while the non-recipient households have many more single pensioners.



We have seen, then, that although there are some differences between the two groups, there are many of the same types of households who are both participating and not participating in the HA program. We must therefore look for other reasons why households may not be participating. To receive a housing allowance, a household must:

- Be eligible for the program
- Know about the program
- Apply for an allowance
- Have its application approved

We have already looked at the first step, eligibility. Now we must examine the remaining steps in the process.

In our household survey, we asked people whether they were aware of the existence of the HA program, and if so, whether they had applied for an allowance. If they had not applied, we asked them to state their reasons for not doing so. The responses from these questions are summarized in Table 4. Based on our survey, we estimate that there were 5,192 eligible households in Nitra district who did not apply for a housing allowance. Of these, the vast majority (83 percent) did not apply because they were unaware that the program existed. An additional 5 percent knew about the program, but did not know how to apply.

Table 4
Reasons for Not Applying for HA—Nitra District

Number of Eligible HHs Not Applying for HA	5,192
Percent Giving Reason For Not Applying:	
Do not know about program	83
Do not know how to apply	5
Intend to apply soon	3
Expected HA benefit too low	2
Income too high to qualify	2
Would lose other benefits	1
Cannot get all documents	2
Have not paid all housing costs	2
Am not registered owner/tenant	—
Difficult to get to DO	1
DO not open when I can go	—

Source: HH survey (n=94)

Notes: Eligibility determined based on HA income criteria.

5 percent of households gave no reason for not applying.



This points to a general lack of information about the HA program as one of the main reasons why participation is not higher. Again, it is not particularly surprising that, at this early stage in the program, information about housing allowances has not reached many people. In spite of the extensive information campaign undertaken by the Ministry, it is simply not possible to reach all of the people who need to know about the program in such a short time.

Before going on to examine this information gap more closely, let us look at the remaining reasons given by households for not applying for a housing allowance. Another 3 percent of the respondents said that they intended to apply for an allowance soon. A very small number of households gave a reason related to the amount of benefit they expected to receive: that the amount of the housing allowance payment would be too low, that their income was too high for them to qualify, or that they would lose other benefits if they received a housing allowance. A similarly small number of respondents explained that they would not be able to meet other requirements of the HA program: obtaining all required documentation, paying all housing costs for the past six months, or being the registered owner or tenant of the unit. Finally, almost no respondents reported that getting to the District office during open hours was a problem for them.

Although these other explanations were cited very rarely, that is mainly because very few people know about the program at all. One has to know about the program first before deciding that the expected benefits would be too low or that it will be difficult to satisfy one or more program requirements. As more people learn of the program, some of these other reasons may emerge as important obstacles to program participation.

Returning to the main reason households did not apply, lack of knowledge of the HA program, it is important to see where the information gaps are the largest so that the Ministry can know where to direct its publicity campaign. Table 5 shows how knowledge of the HA program varies among different types of households. Overall, only 34 percent of eligible households knew about the HA program. This means that two-thirds of all eligible households in the district were unaware of the program's existence. Slightly more people knew about the program in the city (43 percent) than in the surrounding communities (24 percent). Awareness of the program was also highest among households living in municipal rental (57 percent) and condominium apartments (68 percent), and lowest among those who live in family houses (28 percent). Non-pensioner households were about twice as likely to know about the program compared to households with pensioners. Only 20 percent of single pensioner households knew about the program, making them the least well-informed group of family types.

Table 5
Knowledge of HA Program by HH Characteristics—Nitra District
Households Eligible for HA

	Pct. Who Know About HA
All households	34
Municipality	
Nitra City	43
Villages	24
Ownership	
Family house	28
Cooperative	31
State co. rental apt	37
Municipal rental apt	57
Condominium	68
Family Type	
Single pensioner HH	20
Two pensioner HH	25
Pensioner in mixed HH	27
Nonpens. HH without children	54
Nonpens. HH with children	51

Source: HH Survey (n=280)

Notes: Eligibility determined based on HA income criteria.

In our survey, we also asked households who knew about the HA program how they heard about it. Table 6 summarizes the responses to this question for eligible households who are receiving and not receiving an allowance.¹³ Among the households receiving a housing allowance, more than half heard about the program directly from the district office. These are probably households who are receiving social assistance, since they were all notified about the HA program through letters and phone calls from the district office. Many participants heard about the program through a relative, neighbor, or other acquaintance (32 percent). The news media—television (19 percent), newspaper (11 percent) and radio (10 percent)—were also able to reach some people.

¹³ The percentages in this table do not add to 100 within groups because respondents could list more than one source of information.



Table 6
Source of Information on HA Program—Nitra District

	HA Recipients	Eligible Non-recipients
Number of HHs Who Know About HA	884	1,313
Percent receiving Information from Source:		
Appeal from DO	56	—
Relative/neighbor/acquaintance	32	28
TV	19	45
Newspaper article	11	19
Radio	10	21
HA brochure	3	8
Visit to DO	2	16

Source: HH Survey (n=204)

Notes: Eligibility determined based on HA income criteria.
Respondents could indicate more than one source of information.
2 percent of households did not provide a source of information.

Among eligible households not receiving a housing allowance but who knew about the program, the most common sources of information were television (45 percent), a relative, neighbor, or acquaintance (28 percent), radio (21 percent), and the newspaper (19 percent). Another 16 percent of non-recipients learned about the program during a visit to the District office for another reason.

We have already identified lack of information about the program as being the main reason why more eligible households have not applied thus far. But, even if a household learns about the program, it must still think it is worthwhile to apply for it to enroll. In other words, the household must believe that the amount of the benefit it would receive will outweigh whatever costs it must incur to obtain those benefits. These costs would include time spent completing the application form, collecting necessary documents, and visiting the district office, any fees or expenses associated with getting the required documentation, and the possible loss of other benefits (such as social assistance) if the housing allowance is obtained.

The amount of the benefit is a very important factor in determining whether a household will participate in the program. To see if eligible non-recipient households might have the same potential benefits as current housing allowance recipients, we calculated the allowance that non-recipient households would supposedly receive if they were to enroll in the program.

Figure 2
Comparison of Housing Allowance Payments
For HA Recipients and Eligible Non-recipients
Nitra District

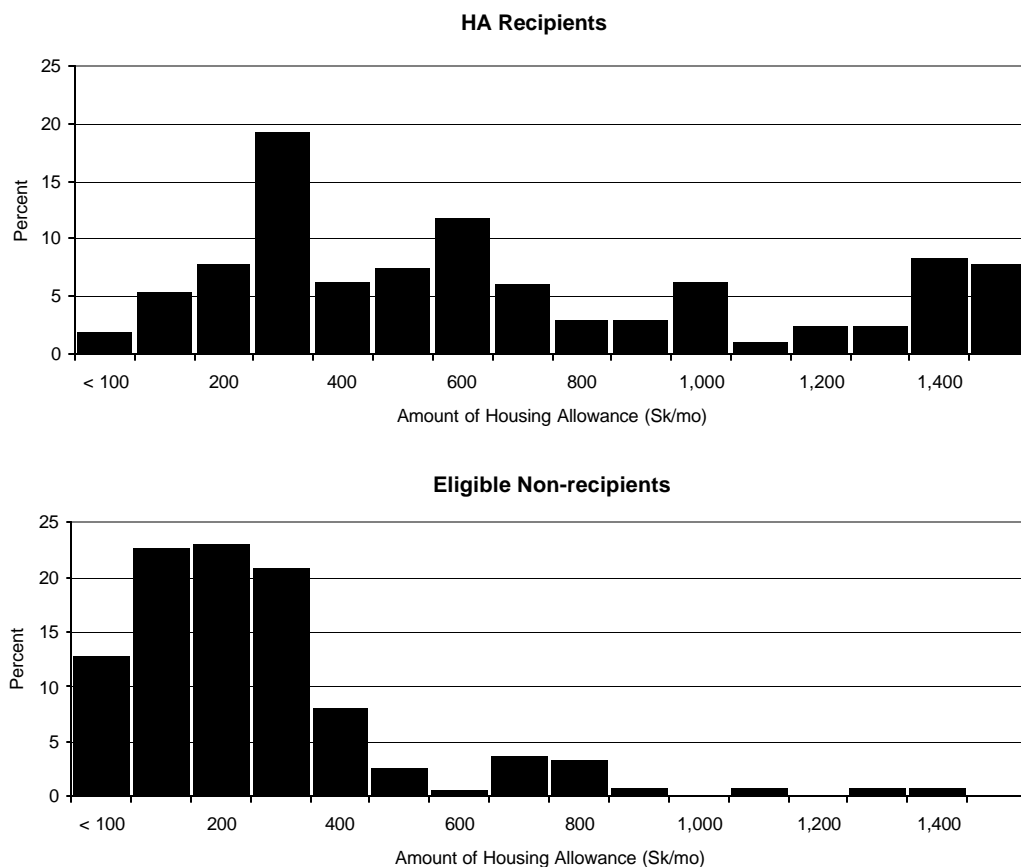


Figure 2 compares the estimated amount of the monthly housing allowance payments for non-recipient households with the actual allowance benefits being received by the 884 households currently enrolled in the program in Nitra district. The vertical bars indicate the percentage of households in each group that have an allowance payment of a certain amount. We can see that the benefit levels for the current recipients are generally higher than those that would be obtained by the eligible non-recipients. While only 10 percent of non-recipients would have an allowance above 500 Sk per month, half of recipient households have benefits above this amount and 20 percent receive a monthly payment of 1,000 Sk or more. Therefore, given the current benefit levels set by the housing allowance formula, it is possible many eligible non-



recipient households may not choose to participate in the program even once they learn about it.

Administration of the Housing Allowance Program

Good administration is a crucial element in the success of any assistance program. No matter how well designed a program might be, it must be administered efficiently and effectively. Solid administrative practices help ensure that the program is accomplishing its goals and reaching those who are eligible. At the same time, such practices protect the interest of the taxpayers by making sure that public funds are spent appropriately and efficiently.

In addition, good administration should promote the uniform application of program requirements and procedures throughout the country. Whether someone is applying for a housing allowance in Bratislava, Nitra, Kosice, or anywhere else in Slovakia, they should receive the same information about program requirements and benefits. The standards for determining who should receive a housing allowance must be applied uniformly for all applicants no matter where they may live. This guarantees that the program benefits will be provided fairly to all eligible households.

As part of the pilot monitoring and evaluation, we visited the Nitra district and regional offices over the course of two weeks to interview the housing allowance staff and observe directly the operation of the HA program. The purpose of this part of the evaluation was to give us insights into the actual functioning of the program and to find out what problems have been encountered in implementing housing allowances. These “frontline” staff, which deal regularly with the clients and the details of implementing the program, are often an excellent source of information about how the program is working.

Again, we must point out that since this was a pilot evaluation we were limited in the scope of what we could accomplish. We were only able to conduct extensive interviews in one district office, so we do not know for certain how much our findings are generalizable across the entire country.¹⁴ In fact, based on comments from the Ministry and our own observations, we suspect that the Nitra district office represents one of the better-run offices in the country. (In the discussion of key issues at the end of this chapter, we recommend that the Ministry expand our investigation to a broader sample of districts.)

¹⁴ In addition to Nitra, we spent two days visiting the district office in Bratislava II, both talking to staff and observing their interaction with clients. Our observations in this district generally corroborate our findings in Nitra.



We should also emphasize that the information presented in this section is based on opinions expressed directly to us by the staff in Nitra and a few district offices in Bratislava visited by the authors of this study. They should not be interpreted as the views of the authors of this study. We will provide our own interpretation of this information in the key issues discussion later in this chapter.¹⁵

The HA program in Nitra district is administered by four full-time staff along with one supervisor.¹⁶ All staff work on one other program in addition to the HA program, but the HA program consumes most of their time. The supervisor oversees the work of the personnel who administer the housing allowance and reports to the head of the district office.

As was mentioned earlier, the Ministry included in its budget for the housing allowance money four additional district office staff to administer the program. One person was added in January, and three more in March. The staff that administer the HA program were all transferred from other sections in the district office, such as transportation permits, state housing loans, and office operations. At present, the district office feels that there are an adequate number of staff to administer the program, but that might not be the case if a larger number of households enroll in the future.

There are no written descriptions of the specific duties to be performed by the housing allowance staff. Each staff person was given “on the job” training, and then went to work to implement the program. As one staffer put it, “everyone knows what to do”. The housing allowance supervisor regularly monitors the work of her staff, and often observes directly staff interaction with applicants. She also reviews all application files as a quality control measure.

The housing allowance staff was uniform in their praise of the cooperation given by the Ministry and the availability of Ministry officials to answer questions about the program. Nevertheless, the staff has few written guidelines for administering the HA program. The program does not have a procedure manual, for instance, to explain how staff should handle specific requirements of the program or deal with special cases. The staff relies on the text of the housing allowance law itself as their principal guide for administering the program. Since the start of the program, they have received one written clarification from the Ministry regarding a certain type of pension that was omitted from the income definition in the law. Apart from that, the Nitra regional office has issued a series of memos to its districts explaining how to deal with particular cases. While the information in these memos is based on verbal communication from

¹⁵ The staff interviews were conducted under anonymity. Therefore, no names or other identifying information are attributed to staff comments in this report.

¹⁶ This excludes another full-time staff person who administers the program in the separate office in Vrable.

the Ministry, they were written and distributed at the initiative of the Nitra regional office only to its districts.¹⁷

The housing allowance office is open to the public three days a week—Monday, Wednesday, and Friday. During that time, the staff meets with clients and takes applications for the program. On the other days, the staff works on processing applications and other necessary paperwork. All staff members are supposed to follow the same basic procedures when dealing with new applicants. When someone comes to the DO to ask about the housing allowance, they are given basic information about the program and told what they need to do to apply. They should be given a copy of the application form and a copy of the brochure. Normally, the staff person will go over the application form with the client and make sure that they understand how to complete all of the sections. The Nitra district office has also created standard lists of documents that must be submitted for different types of applicants (unemployed persons, homeowners, and renters). The client gets a copy of the list appropriate for their situation.

The staff members said that they do not always estimate whether a household's income might make them eligible for a housing allowance during the applicant's first visit to the district office. It depends on the type of applicant. One staff member said that if the applicant was a pensioner with a monthly income below 4,500 Sk, she tells them they are eligible. Another said that she would do the calculation if the person were employed, but if they are unemployed they need to return to the district office with documentation so that their income can be determined properly. A third staff person said that she estimates the housing allowance amount for an applicant if it is a "clear case," but if there are dependent children in the family, the calculation is more complicated and probably could not be done during the first visit.

When a completed application is turned into the district office, it is stamped with the date it is received and the information is entered into a computer tracking software. According to the law, all housing applications must be processed within thirty days of being received by the office. Depending on the workload, it can take anywhere from two days to four weeks to process an application and send a response, but the average time is about ten days.

If the application is incomplete (not filled out properly or missing one or more necessary documents), the district office notifies the applicant to bring in the missing information to the district office. If a completed application is rejected, the district office sends the applicant a registered letter explaining the reason for the rejection. The

¹⁷ The head of the Nitra regional office told us that some of the other regions might have started distributing copies of these same memos to their own districts.



applicant can then appeal the decision if they think it was incorrect for some reason.¹⁸ Households that are approved for a housing allowance receive no notification letter, however. They simply begin receiving housing allowance benefits through their bank account or postal order, depending on their choice of payment method.

The administrative software used by all district offices includes a special module for entering the housing allowance application information. It is unclear under exactly what circumstances the information from an application is entered into the system, however some staff members told us that an application must be complete (including all supporting documentation) before it is entered. Others said that it was not necessary for the application to be complete or include all of the documents.

As part of our evaluation we were given access to data from the housing allowance application system. Based on an analysis of these data, through May 2000 the Nitra district office had processed 1,141 housing allowance applications. Of these, about 884 were awarded housing allowance benefits. This equates to a rejection rate of 23 percent. Of the 257 rejected applicants, 95 percent had incomes too high to qualify for an allowance, 10 percent had not submitted all of the required documents, and only 1 percent had not paid all housing costs for the past six months.¹⁹

The data from the application system may underestimate the rejection rate and the numbers of people rejected, however, because of missing documentation or unpaid housing costs. The district office staff gave us an estimate of 1,500 total applications for the first four months of the program. This would give a rejection rate of 41 percent. Of the rejected applications, the staff provided the following breakdown of reasons for refusal: income too high (60 percent), missing required documentation (30 percent), has not paid rent (10 percent). If many applications that were missing documentation or had not paid housing costs were not entered into the computer system, this could explain the discrepancy between the staff estimates and the administrative data records.

When asked what their overall impressions were of the HA program to date, the district and regional office staff responded with a generally favorable impression of the program. Nevertheless, they highlighted several important issues that were of concern to them.

Overlap between housing allowances and social assistance—An extremely important issue that emerged in conversations with housing allowance staff and clients alike was the interaction between housing allowances and social assistance. Since housing allowances are part of the system of social support, households must apply for

¹⁸ The regional office reported that only 49 appeals were made thus far for the entire Nitra region. Of these, at most four cases were referred back to the district offices for reconsideration. The regional office rejected the remaining 46 appeals.

¹⁹ For 36 (14 percent) of the records in the administrative data, there was no indication as to whether all housing costs had been paid.



them first before they can be eligible for social assistance. Therefore, households in Nitra who had previously been receiving social assistance had to apply for a housing allowance or risk losing other benefits. At present, families on social assistance constitute the majority of those receiving housing allowance benefits. According to the MLSA, three-quarters of social assistance recipients are also receiving a housing allowance.

In some cases, a household that was receiving social assistance was ineligible for a housing allowance. These families had to go through the housing allowance application process but did not end up receiving any benefits from the program. If, on the other hand, a household was eligible for a housing allowance, their new housing allowance would be counted as part of their income toward determining social assistance and their social assistance benefits would be reduced by the amount of the allowance payment. So, in either case the household would receive no net increase in benefits, and would have no additional income to pay housing costs.

Many housing allowance staff and households were quite upset that people should have to go through the extra effort of applying for a housing allowance, but in the end receive no additional money. One staff member referred to this as, “the most expensive zero in Slovakia.” It is clear that this issue is generating some bad feelings toward the HA program.

There is also a question of what constitutes “applying” for a housing allowance to satisfy the requirements of the social assistance program. District and regional office staff seem to have different opinions about what households’ need to do to fulfill the application requirement and retain their social assistance benefits. Some asserted that households only needed to submit a blank application form with their name, address, and signature. Others stated that the law required households to submit a complete application, along with all necessary documents. Obviously, there is a large discrepancy between these two definitions of having “applied” for a housing allowance, and it makes a significant difference to households, which one they have to meet.

Six-month reapplication period—Under the current housing allowance law, households must reapply for a housing allowance every six months. Many housing allowance staff commented that the six-month reapplication period was too short. They felt that household circumstances would not change so much and a one-year reapplication period would be better. In addition to the burden on the households, they were concerned about being able to handle the workload of processing applications twice a year, especially during the months of January, when the district office receives applications for other programs, and in July, when people take holidays. One staff member suggested a one-year reapplication schedule that would start in September so that applications would be submitted during a less hectic period for the office.



MHC levels—Housing allowance staff were concerned that the current levels of the **MHC** were not adequate to cover the actual costs of adequate housing. According to one, the housing allowance was providing only for the very minimal needs of people. Of particular concern were families with children, who, it was felt, had higher costs than reflected in the **MHC**.

Information campaign—The Ministry's information campaign received praise from the housing allowance staff, but they felt that more needed to be done to inform the public about this new program. There needs to be additional publicity about housing allowances so that more people who need assistance would apply, the staff commented. The information campaign should be ongoing and targeted to those people who would be eligible to receive a housing allowance.

The staff also praised the USAID-sponsored "housing allowance brochure" and felt it was a very useful tool for informing people about the program. Nevertheless, people still have misconceptions about how the program works. The biggest misunderstanding concerns the amount of the housing allowance. Some people do not read the brochure carefully and think the **MHC** is the actual amount of the allowance they will receive. Others come in with utility bills and expect to be compensated directly for those charges having the impression that housing allowances are paid out to cover the increases of all housing related expenses. The district office staff often had to explain the housing allowance formula to applicants several times. To improve the brochure, one staff member suggested including an example of a housing allowance calculation for a typical household.

Need for training and procedure manuals—Staff members were of mixed opinion as to the necessity of having a written procedures manual for the HA program. Some felt that it would not help them too much, since they now know how to handle most situations. Others, however, said that a manual would help make the administration of the program more uniform across district offices. Meetings held at the regional office, according to one staffer, showed how differently the law was being interpreted by each district. For example, there were different opinions about what constituted a valid letter proving home ownership. Other special cases are unclear and could be open to various interpretations.

Staff also identified the need for more training to help them perform their jobs better and be able to give people more assistance. Some staff asked for training conducted by the Ministry or regional office that would include an explanation of the housing allowance law and its purpose. It should also address actual problems in applying the law to real world situations, with opportunities for the staff to ask questions about how to handle specific cases. One staff member proposed that they should receive an overview of all social programs in Slovakia, even ones not administered by the district office. This would help them understand better how all of the different types of assistance work together.



Computers—As part of the support for the administration HA program, the Ministry provided the district offices with new computers. The district office in Nitra received two new computers, which are shared by the four housing allowance staff. The staff greatly appreciated having these computers, although they commented that having one for each staff person would be ideal.

At present, the computers are used for doing word processing (form letters and so on) and for running the software to administer the housing allowance and other programs. Most of the staff admitted to having limited computer experience, and would like to have training that would permit them to upgrade their computer skills.

The staff reported no difficulties using the administrative software created for the HA program and could suggest no improvements to the software. Nonetheless, while showing us one of the reports generated by the software, a staff member explained that she had to enter the page dimensions for the print out manually each time a report was printed. This seems like an obvious area where an improvement could be made to the software.

Housing allowance application form—The staff suggested improvements that might be made to the housing allowance application form. Family situation (whether someone is single, widowed, married, or divorced) is not currently asked on the application but should be included. This would allow the staff to tell immediately what kind of documentation an applicant needs. For example, a divorced man can deduct child support from income, but staff may not be aware at first that someone is divorced. This information would probably come out later, but if it was known from the beginning a better explanation could be given to the applicant as to what documentation is required.

Baseline Conditions in Nitra for Future Monitoring and Evaluation

As stated earlier, a pilot evaluation conducted at one point in time cannot determine the long-term impacts of the HA program on families and the housing market. It is necessary to monitor the program over several years to be able to measure such impacts. Nevertheless, we attempted in our pilot to include some measures that might constitute a baseline for future long-term monitoring and evaluation.

Table 7 summarizes four housing indicators for households in Nitra district, according to the number of persons living in the household and their eligibility for and participation in the HA program. The first two columns are indicators of housing consumption—persons per room and square meters of living space per persons.²⁰ The overall average number of persons per room is 0.91. This measure varies by household size—from 0.39 for one-person households to 1.14 for households of four or

²⁰ Living space estimates were reported by the respondent. Interviewers did not actually measure the size of people's apartments.

more persons. The overall average living space per person is 25.7 square meters. Consistent with the first indicator, smaller households have much more space per person than do larger households.

Table 7
Housing Indicators—Nitra District

	Persons Per Room	Sq. M. Per Person	Monthly Costs (Sk) Per Sq. M.	Years In Unit
All households	0.91	25.7	34	23
HH Size				
1 person	0.39	65.6	30	31
2 persons	0.65	36.7	34	32
3 persons	0.83	28.5	32	17
4 or more persons	1.14	19.9	35	18
HA Status				
Ineligible	0.92	25.3	34	23
Eligible—Non-recipients	0.83	29.2	31	25
Eligible—HA Recipients	0.91	28.7	29	20

Source: HH Survey (n=1,013)

Notes: Eligibility determined based on HA income criteria.

The third indicator is a measure of housing costs relative to the physical size of the unit. We found no great differences in housing costs per square meter according to household size. Average housing costs range from 30 to 35 Sk per square meter.

The last indicator measures household mobility. Ideally, the HA program should help increase mobility because the subsidy is portable and can be taken with a household when it moves, if all other conditions remain constant (income, household size, etc.). We can see from Table 7 that one-person and two-person households have spent almost twice as much time, on average, in their current unit than households of three persons or more.

The survey revealed no large differences in these four housing indicators among households based on their eligibility for and participation in the HA program. Eligible non-recipient households in our survey were consuming slightly more housing than both ineligible households and housing allowance recipients. Monthly costs per square meter were about the same for all three groups, as was the amount of time spent in the



current unit. It would be very interesting, however, to measure these same indicators one year later to see if there have been any changes in these patterns.

An important goal of the HA program is to reduce the proportion of income that poor families must pay for housing so that it is no higher than some reasonable level. This is the meaning of the “*t*” parameter in the housing allowance formula. Table 8 examines the housing cost burden, the percentage of a household’s income spent on housing, for households based on their housing allowance status. The median monthly housing costs for all households in Nitra district was 2,500 Sk, while the median monthly income was 9,450 Sk. This equates to an average cost burden of 26 percent.

Table 8
Housing Cost Burden—Nitra District

	Median Housing Costs (Sk/mo)	Median HH Income (Sk/mo)	Cost Burden (Percent)
All households	2,500	9,450	26
HA Status			
Ineligible	2,700	12,500	22
Eligible—Non-recipients	2,000	4,423	45
Eligible—HA Recipients	1,793	4,427	41

Source: HH Survey (n=1,015)

Notes: Eligibility determined based on HA income criteria.

From this same table, we can see that, on average, households ineligible for a housing allowance have a cost burden about half that of eligible households. Although ineligible households have slightly higher housing costs than eligible households, their higher incomes greatly reduce their cost burden. Among eligible households, non-recipients pay a slightly higher percentage of their income (45 percent) on housing than do allowance recipients (41 percent). While recipients and non-recipients have about the same income, housing allowance recipients have lower average housing costs.²¹

Another important issue for longer-term monitoring of the HA program is whether the **MHC** in the formula adequately represent the true cost of housing. If **MHC** levels are too high, then the program will be providing excessive subsidies to households. If **MHC** levels are too low, however, then they will not provide adequate support for poorer households to cover the cost of decent housing. Additionally, thought should be given

²¹ The income of housing allowance recipients includes the housing allowance itself.

to evaluating whether the **MHC** levels should vary by region or even by city, as it is done in other countries that have implemented a housing allowance.

Table 9 compares the actual median housing costs faced by households in Nitra district with the current **MHC** amounts set in the HA program. The median housing costs are generally 23 to 28 percent higher than their corresponding **MHC** levels. This means that the current **MHC**'s are insufficient to afford half of the housing units in Nitra district.

Table 9
Actual Housing Costs vs. HA Program MHC—Nitra District

	Median Housing Costs (Sk/mo)	MHC (Sk/mo)	Pct. Difference
All households	2,500	n/a	n/a
HH Size			
1 person	1,738	1,410	23
2 persons	2,214	1,750	27
3 persons	2,665	2,090	28
4 or more persons	2,992	2,430	23

Source: Median housing costs from HH Survey (n=1,015); MHC from HA Law.

KEY ISSUES

Based on this preliminary, pilot evaluation of the HA program, we have identified several key issues for the Government to consider as it continues to implement and refine the HA program. We have divided these issues into five main areas: program eligibility, increasing participation, interaction with other social program, administrative practices, and future monitoring and evaluation. We reiterate that these issues are based on a pilot evaluation conducted very early in the life of this new program. As these preliminary issues are addressed in the coming months and more information is gathered about the HA program, new issues may emerge that will need to be addressed by the Government. The most important issues uncovered by this study are:

- The need to increase participation in the HA program through a more intensive public information campaign.
- The need to evaluate whether the **MHC** levels are set according to the true cost of housing and whether they need to be adjusted according to household size and/or by region/city.

- The need to ensure that housing allowances are implemented equitably and efficiently through the development of a “procedures manual” for all staff who administer the program.
- Lastly, the need to monitor and evaluate the HA program through evaluation of existing administrative data and use of surveys similar to the one conducted in Nitra.

Housing Allowance Design Issues Related to Program Eligibility

Preliminary data for the HA program indicate lower levels of participation than were initially expected by the Government. During the first four months of the program, only about 35 percent (189 million Sk) of the budgeted amount for housing allowance benefits (533 million Sk for January through April) were paid out by the district offices.²² If this rate of participation continues for the rest of the year, as much as 1.0 billion Sk of the total budget of 1.6 billion will be unspent at the end of the year.²³

Our pilot evaluation in Nitra district supports the conclusion that low levels of eligible households participate in the program. Only 13 percent of all eligible households (based on their income) in the district are currently participating in the program. As was stated earlier, this is not unusual or unexpected for a new social program. ***Clearly, increasing participation in the HA program is a crucial issue that the Government needs to address.***

One approach to getting more households enrolled in the program is to increase the number of eligible households. The MLSA has contemplated altering the parameters of the housing formula to make more households eligible for the program:

$$HA = MHC - (r \cdot Y)$$

The Ministry has proposed lowering the share of income devoted to housing costs (r) and raising the **MHC**. The consequences of changing these housing allowance formula parameters can have different impacts on the distribution of households receiving benefits and the amount of those benefits.²⁴

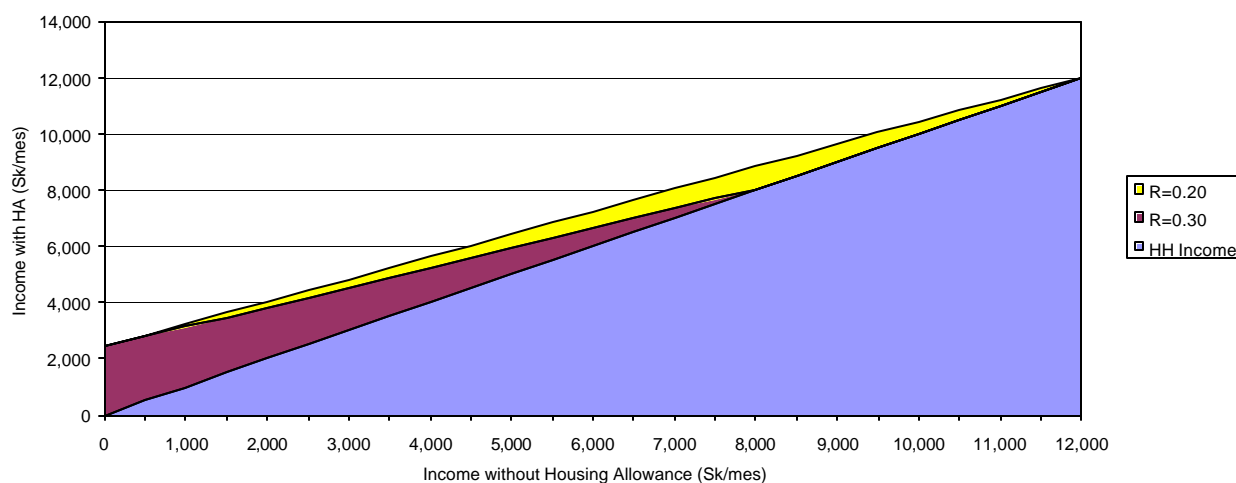
²² Data provided by Ministry of Labor and Social Affairs.

²³ Similar experiences during the first year of housing allowance program implementation can be found in other countries.

²⁴ A Ministry proposal to lower r to 0.29 and to increase the levels of **MHC** as of July 1, 2000 was turned down by the Government. The Ministry plans to revise and resubmit its request so that changes in the housing allowance parameters would take effect on January 1, 2001.

First, if the share of income devoted to housing costs is lowered, the change in the distribution of benefits favors those with higher incomes. This can easily be understood by seeing how the slope of the benefit line is shifted by reducing r . Figure 3 is a graph of the housing allowance formula, showing the amount of benefits that would be paid to households of different income levels. The lower two areas are the same as for the graph of a standard housing allowance (Figure 1) with r equal to 0.30 and **MHC** equal to 2,430 Sk. The additional lighter area on top shows the effect of decreasing the value of r from 0.30 to 0.20; this area represents the additional benefits that would be paid out by making this change.

Figure 3
Effect of Changing R on Housing Allowance
Eligibility and Benefits

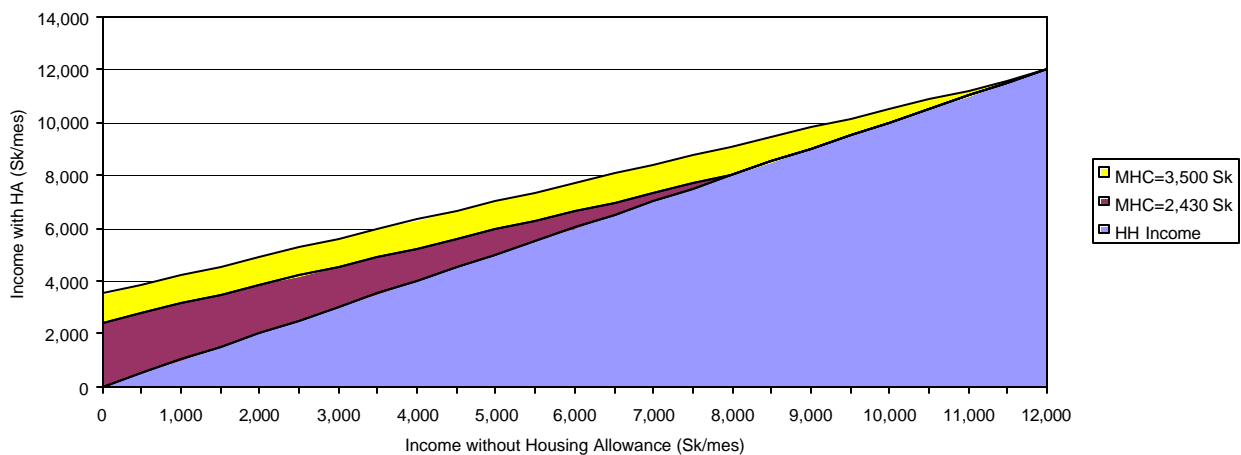


The first impact of this change is that it would increase the number of households who would be eligible for a housing allowance. Whereas the monthly income cutoff for a household of four or more is 7,933 Sk when r is equal to 0.30, decreasing r to 0.20 raises the cutoff to 11,190 Sk. So, households with monthly incomes between 7,934 and 11,190 would become eligible for an allowance with a change of r from 0.30 to 0.20.

In addition, the amount of benefits paid to households would change, primarily for households with higher incomes. For those households with zero (0) income, there would be no net change in the amount of benefits received based on a decrease in the value of r . The largest increase in benefits would be for households with incomes near the original cutoff level. For example, a household with an income of 7,000 Sk per month would see its housing allowance payment more than triple from 330 to 1,030 Sk.

Alternatively, Figure 4 shows what effect an increase in **MHC** has on housing allowance eligibility and benefits. If, for example, the **MHC** were raised from its current level of 2,430 Sk for a household of four or more to 3,500 Sk, then the income eligibility cutoff would be increased to 11,500 Sk. As was the case with reducing *r*, this would expand the number of households eligible for an allowance.

Figure 4
Effect of Changing MHC on Housing Allowance
Eligibility and Benefits



The effect on benefit amounts, however, is different when you increase the **MHC** as opposed to changing *r*. Increasing **MHC** would benefit lower income households more than with reducing *r* in the formula. For households with zero (0) income, the amount of the housing allowance payment would rise from 2,430 to 3,500 Sk. Higher income households would also see an increase in benefits. A household with income of 7,000 Sk would have its allowance rise from 330 to 1,400 Sk.

Ideally, the MHC should be set at an amount that is sufficient to afford decent and adequate housing for a household—Like the subsistence minimum levels used to calculate other social benefits, **MHC** should rise or fall depending on the actual housing costs faced by consumers. In fact, one of the key motivations behind introducing a housing allowance system in Slovakia is that it will permit the liberalization of housing prices and promote the development of a private housing market, while at the same time protecting those with low incomes during this transition. As was explained earlier in the section on housing policy in Slovakia, housing prices will probably need to increase dramatically in the years ahead to ensure a sufficient supply of housing as the population and economy continue to grow. Therefore, housing costs

should begin to increase and the **MHC** parameter must be adjusted accordingly so that poor households will be protected.

Eventually, it may become necessary to differentiate MHC by household type or location—For example, households who live in rental housing could have their housing allowance computed using a higher setting for **MHC** since the price of their housing increased more in 2000 than for households who live in other types of housing. Or, as price differences begin to become more pronounced in different parts of the country, the **MHC** could be set differently according to where a household lives (by region, for instance).²⁵

Any changes to the parameters of the housing allowance formula will have budgetary impacts on the HA program. The Housing Allowance and Income Support (HAIS) model is ideally suited to show how changing the housing allowance formula parameters influence the number and type of households who would become eligible for the program. The HAIS model is capable of providing estimates of the relative costs to the Government of changing **r** or **MHC**.²⁶

Increasing Participation in the Housing Allowance Program

Changing the housing allowance parameters can increase enrollment in the HA program by making more households eligible for benefits. At the same time, these changes can affect the proportion of eligible households who participate in the program by altering the amount of the benefits they receive. In principle, if the potential benefits to a particular group of households are increased, they should be more willing to enroll in the program.

But, before relying on changes to the formula to increase participation in the program, it would be worthwhile for the Government to explore other means for getting more households to participate in the program. The household survey in Nitra revealed that a large number of eligible households (87 percent) are not yet participating in the program, and that the most important reason for nonparticipation was that they did not know about the program (83 percent of eligible households) or did not know how to apply (5 percent).

Overcoming the information deficit among eligible households should be an important part of the government's strategy to increase enrollment in the HA

²⁵ In the United States, the equivalent of the minimum housing costs (called fair market rent, or FMR) are differentiated by household size and metropolitan area and are updated annually according to the results of a survey of housing units. The level of the FMR is set to the 40th percentile of the cost of standard-quality rental housing in an area. For more information, see U.S. Department of Housing and Urban Development, 1995.

²⁶ The HAIS model was developed by the Urban Institute, under USAID sponsorship, to help the Government analyze the impacts of changing parameters in the housing allowance and other social programs. For more information on the HAIS model, see Tatian, Mikelsons, and Zapletalova, 1997.

program—The information campaign launched at the start of the program should be continued and further refined to target households who are lacking information about the program. The household survey in Nitra district indicated that households living in smaller municipalities and in family houses, cooperatives, and state company housing were relatively less informed about housing allowances. Households with pensioners were also generally unaware of the new program. Information could be made available to these households through institutions or media that they regularly access. Local governments in smaller municipalities could be enlisted to help publicize the program, as could cooperative housing associations and state companies. Organizations that regularly provide services to older or disabled persons could also be used as means for distributing information.

Interaction of Housing Allowances with Other Assistance Programs

Another issue that needs to be explored is that of the “sequencing” between housing allowances and other means-tested benefits, particularly the interaction between housing allowances and social assistance. When should benefits from one program be considered as income by another program, and in which order? This problem is not specific to housing allowances (or to Slovakia), rather it arises in every situation in which there are several means-tested programs to which some families might be eligible at a given point in time. Better use of existing administrative data to monitor social program interaction is highly recommended.

The simplest solution is to establish a sequence of programs that goes only in one direction: the benefits from one program are included in the income for the next program, but not the other way around. In other words, benefits from Program A are considered as income for Program B, but benefits from Program B should not be considered as income for Program A. If this rule were not followed, we would have very complex benefit formulas that would make every benefit depend on the parameters of every other benefit. This type of relationship would make the benefit system very poorly defined and would lead to an inefficient and inequitable allocation of scarce government resources.

When the “one-direction-only” rule is followed, there remains the problem of how to establish the sequence of programs. There is no straightforward answer to this question. It all depends on the purpose of each benefit, the size of the population served, the available resources, and the administrative feasibility of the solution. Since housing allowances are considered part of the social support system, eligibility for all social support programs are established first, leaving social assistance to be the program of last resort. This helps keep the two subsystems separate and gives social assistance a reduced role in terms of cash disbursement. If the **MHC** in the housing allowance formula is large enough, it is possible that many families with children would be lifted above the subsistence minimum by the combination of child and housing allowances (provided they apply for these programs). This position of prominence for

housing allowances would presumably increase participation in the program. It should also create more incentive for work since the benefit reduction rate for earnings (the amount the benefit is decreased with an increase in income) is equal to 30 percent (the value of r) while for social assistance it is 100 percent.

Despite the benefits of this approach, there have been some problems in implementation that the Government must address. **First, the reasons for sequencing the programs in this order does not seem to be clearly understood by district and regional offices or by the program participants.** The district office staff we interviewed did not understand why people were being made to go through the extra effort of applying for a housing allowance, especially when many would likely not be getting any net additional benefits. This is resulting in negative feelings about the housing program and frustration with the way social policy is being formulated. Since the Government has good reasons for restructuring its social programs in this way, it should make more of an effort to clearly articulate those reasons to the public and to regional and district office staff. They should understand why it was desirable to organize social programs in the way it has been done.

Second, the Ministry should formalize its policy on what constitutes applying for a housing allowance so that a household can be eligible for social assistance. All households must apply for the housing allowance first before they can apply for social assistance. According to our investigation, there are some disparities in how district office staff interpret this requirement. Some households are told they can simply turn in a blank or incomplete application, while others must submit a complete application with all supporting documents. District office staff have been showing “flexibility” with this requirement so that households would not lose benefits.

While such flexibility may seem desirable in some situations, it can unfortunately act to undermine Government policy. If the Government has good reasons for wanting housing allowances to be preeminent over social assistance, then it should not allow households to get around this requirement by not making the proper effort to apply for a housing allowance. Furthermore, it is unfair to applicants if this requirement is interpreted differently across districts or even within the same district office as applying for a housing allowance can take a lot of time and effort. The Ministry should develop a clear set of written instructions in the form of a procedures manual with regards to how to interpret this requirement, and it should circulate these to all regional and district offices. It should monitor the implementation process to make sure that these guidelines are indeed being uniformly applied across the country.

At the same time, the Ministry should act to reduce the burden on those households whose income is too high to receive a housing allowance, but are still eligible for some form of social assistance. Such households should not be required to go through the entire housing allowance application process if they cannot qualify for the program based on their income. This would reduce the problem of the

“expensive zero” noted above by the Nitra regional and district offices. Since households have to document their income for the social assistance program, there should not be a problem in verifying that a household is not qualified for a housing allowance. A well-designed public information campaign could address this barrier to efficient administration of the program.

Administrative Practices

Since the housing allowance is a new program, it should be expected that there would be many questions that arise with regards to how to actually implement the requirements of the law. The law sets the basic parameters for the program, but there are many particulars that are not specifically addressed by the law. Questions such as what type of documentation is sufficient for different program requirements and how to handle special cases are the type of details that the Ministry must provide. Furthermore, these requirements should be applied in a similar manner to all applicants, regardless of where they happen to live.

To ensure that the program requirements are being applied fairly and that public money is being spent appropriately, the Ministry must be certain that the program is administered consistently across the country. One way to accomplish this is for the Ministry to develop written guidelines on how to implement program requirements. Although the staff in Nitra regional and district offices gave high praise to the Ministry for being responsive to their questions about the program, it appears that the Ministry only answers inquiries posed by the local offices. This means that those offices that do not bother to ask the Ministry have more or less discretion to interpret the requirements as they see fit.

The Ministry should therefore take a more proactive approach to ensure that the program is being implemented in a fair manner. Having a set of written procedures for all district offices to follow will help ensure that the program requirements are being applied consistently. For almost all social programs around the world, it is common practice to have a procedures manual that explains to administrative staff exactly how to handle specific situations that may arise in the course of implementing a program. The Ministry should consider developing such a manual for the HA program.

The procedures manual should cover not just basic program requirements, but also recommendations on how district office staff should interact with clients and what information should be provided to applicants. For instance, although the Nitra district office staff generally do a good job of informing applicants about the program, our conversations indicated that there are some differences in whether they calculate an estimated housing allowance amount for a person on their first visit to the office. As a result, some people are not aware of what the income requirements are for obtaining a housing allowance and, consequently, become upset to learn that they went to the

trouble of completing an application for nothing. The Ministry could suggest a more standard practice where such a calculation is always done for applicants.

In preparing a procedure manual, the Ministry could benefit greatly from the experience gained by the regional and district offices during this first year of the program. **The Ministry should have a mechanism for sharing information across districts and regions, so that it the whole country can benefit from the best practices that are developed at the local level.** One staff member pointed out that the Ministry used to have a regular newsletter that went out to all regional and district offices. Such a newsletter, if it were reinstated, could be used for regular communication between the local offices and the Ministry.

For instance, in Nitra we found two practices that could easily be applied nationally to improve the administration of the program. First, the Nitra district office has standard lists of documents required by different types of households. These lists are given to an applicant along with the application form, so that it is clear what documentation is needed for the application process. Second, to speed up the verification of ownership status, the Nitra district is negotiating with the cadastral office to get an electronic copy of the ownership lists, which would be updated regularly. In this manner, district office staff can easily verify whether someone owns a housing unit without having to wait for a reply from the cadastral office.

Finally, the Ministry should support the further development of its district and regional office staff through training. Better training will enable staff members to perform their jobs more efficiently and to better serve their clients. Staff we interviewed identified two areas where training might be helpful. The first was specific training on the HA program, focused on how to handle special cases, and a more general overview of other social programs. The second was training on computers and how to use software (such as Word and Excel) that would be useful to them. In other countries, Governments have used ongoing training centers to offer relevant courses for the administrative staff of social programs. In this manner, the training component for administrative staff of social programs is institutionalized.

Future Monitoring and Evaluation

This pilot monitoring and evaluation was limited in scope and was done during the very preliminary stages of the HA program. The situation in regard to the implementation of housing allowances in Slovakia is evolving, and it is important that the Ministry have current information to be able to adjust its policies and programs accordingly. We believe that it is important that the Ministry continue some form of monitoring and evaluation of housing allowances and other social assistance programs.

One of the first things that the Ministry can do is to make the most of existing administrative data on its social programs. The software system used to record the data from the housing allowance application contains information that could potentially be valuable in monitoring and evaluating the program. Only a small part of these data are currently being used, however. The Ministry should consider standardizing data entry procedures and adding enhancements to the software system to make the most of these data.

First, the Ministry should issue guidelines on when an application should be entered into the software system. If incomplete or partial applications are not entered into the system some way, then the Ministry will have no way of knowing how many people have really applied for the program. Every district office should follow the same set of rules for entering applications into the computer, so that these data can be compared across districts.

Second, our inspection of the data files created from the application system and conversations with technical staff in the district office indicate that the software currently does not save the detailed income information on the application form.²⁷ The district office staff enters all of this information into the computer, but once the totals are calculated (that is, gross income, deductions from income, and additions to income) the amounts of income from different sources (sickness benefits, unemployment, etc.) are discarded and only the totals are retained. Since this information is already being entered, it seems a waste not to save it in the computer system electronically. If this was done, it could provide useful information on the income sources of housing allowance recipients.

Third, the software system currently produces summary reports on households receiving a housing allowance, broken down by household size and the amount of the allowance payment. But, no reports are available on the total number of applicants to the program, even though this data is also stored in the system. The total number of applicants is of interest for management purposes, since it defines the workload of the district office staff. Also, it would be useful to know what percentage of applications are rejected and the reasons for these rejections (income too high, missing documents,

²⁷ Section E, lines 01–13, 15–16, and 17–21.



etc.) For those households missing documents, the reasons for rejection should be expanded to include more detail about which documents are missing. Moreover, this type of information could be used to target a wider public information campaign on the type of documentation needed to apply for housing allowances.

Fourth, since the housing allowance system is actually part of a larger computer program used to track all social programs administered by the district office, it should be possible to produce some reports that look at the overlap among different programs. In this respect, Slovakia has a real advantage on other countries where the various programs are run by different agencies using separate information systems. Since the data for many social programs are already integrated into a single system, it should be easy to produce reports on how many and which type of households are accessing two or more social programs.

Finally, a function should be added to the software to export the individual application records from the housing allowance system to a data file that can be easily transmitted to the Ministry for further analysis. Data from all districts could then be collected and combined together at the Ministry to allow analysis of housing allowance participation at the national, regional, and district levels. A separate analysis unit could be created within the Ministry with minimum resources to further monitor the HA program along with other programs.

In spite of the usefulness of administrative data, not all of the important issues regarding the functioning of a social program can be obtained from this source alone. **Therefore, the Ministry should consider continuing and expanding the household survey and the administrative staff interviews conducted for this pilot.** This pilot has demonstrated the feasibility of gathering quite valuable information about the HA program through the use of a survey. Crucial questions on program participation, knowledge about the program, the adequacy of benefit amounts, and barriers to participation were answered by the survey conducted in Nitra.

At the very least, the Ministry should consider repeating the household survey in Nitra district in one year's time. This will give a point of comparison to see if the situation has changed dramatically. Are more households aware of the program, or is there still a large information gap for certain types of households? Are more eligible households participating in the program? If not, what are the reasons they are not participating?

It would be more valuable, however, to expand the household survey to more districts in Slovakia to get a better representation of the situation in the entire country. It would be particularly important to expand to eastern Slovakia, where the potential use of housing allowances is highest. It would not be necessary for Ministry staff to conduct the survey themselves. The Ministry could hire a private firm to do this work for them or

include a “housing allowance module” that contains many of the questions used in the Nitra survey as part of existing surveys such as the Slovak MikroCensus.²⁸

In addition, the Ministry should continue the interviews of district and regional office staff conducted for this pilot. These types of interviews are easy to carry out and are less costly and time consuming than a household survey. Nevertheless, they can provide very useful information on how the program is working from the people who are dealing with the administration of the program on a daily basis. The evaluation of program administration can also be expanded through the use of a questionnaire mailed to district and regional office staff. Since there would be no interviewer present to ask the questions, the staff interview guide (Annex C) would probably need to be modified to create a questionnaire more suitable to a self-administered survey.

To facilitate the analysis of administrative, survey, and other program data, the MLSA should consider establishing an evaluation unit. Such evaluation units are common in Ministries in Western Europe, the U.S., and Canada. This group would be responsible for conducting regular evaluations of the Ministry’s social programs. They would make use of the administrative data collected from the districts, household survey data, and administrative staff interviews. They would be responsible for preparing reports for the Ministry on the success and effectiveness of the housing allowance and other social programs. The information then could be distributed to other Ministries and the public at large.

Finally, since the housing allowance is a program that cuts across both social and housing policy areas, the MLSA should actively share information about the program with other Ministries, as well as with regional and local governing bodies. As was discussed at length in the report, the housing allowance can be considered both as a social program and as a housing program. To ensure that social and housing policies are being implemented in a coherent manner, it is vital that the key Ministries work together and coordinate their efforts. The Advisory Committee established for this pilot monitoring and evaluation can be a good start for a cooperative, cross-Ministry group that can carry on such policy discussions. Representatives from the Ministry of Regional Development and Construction as well as the Finance Ministry participated in the Housing Allowance Pilot Monitoring and Evaluation Advisory Committee. Therefore, communication was established among the various Ministries involved with the adoption and implementation of the HA program for this project.

²⁸ In Chapter 2, we provide some suggestions for improving on the pilot household survey.

CHAPTER 2: DESIGN OF MONITORING AND EVALUATION PILOT

One of the important goals of this pilot was to provide the MLSA and the Government of Slovakia with a model for future monitoring and evaluation of social/housing programs. This chapter provides a more complete explanation of exactly how we conducted the pilot monitoring and evaluation of the HA program in Nitra district, including details about the selection of the site, the types of administrative data collected, the organization and execution of the household survey, and the interviews with regional and district office staff. At the conclusion of the chapter, we provide some recommendations on how the Government can build on this pilot to implement its own monitoring and evaluation activities.

SELECTION OF THE SITE

Because of the resources devoted to this pilot, we were restricted to one district in which to carry out our monitoring and evaluation program. Of course, one district cannot adequately represent the diversity of the entire country, but nevertheless we wanted to choose a district that was not atypical and that would include a good representation of households and housing types.

We established six criteria for selection of the site for our pilot: (1) number of households receiving housing allowance, (2) number of households eligible for a housing allowance, (3) proximity to Bratislava, (4) variety of housing and households in district, (5) district size, and (6) level of cooperation offered by district office. Each of these criteria is discussed separately below:

- **Number of households receiving housing allowance**—According to the Ministry, the three regions with the largest enrollments in the HA program are Kosice (10,627 recipients), Nitra (9,137), and Presov (9,043).
- **Number of eligible households**—According to figures for March 31, 2000, the Nitra region had the fourth highest unemployment rate in Slovakia (22.3 percent). The regions with the highest unemployment rates were Kosice (26.0 percent), Presov (25.1 percent), and Banska Bystrica (23.4 percent).
- **Proximity to Bratislava**—To reduce costs of the pilot, we decided to choose a site not too far from the capital, Bratislava. Kosice and Presov are in eastern Slovakia and choosing either for the site of the pilot would have been logistically difficult. Nitra, only 75 kilometers from Bratislava, was a more practical choice.
- **Variety of housing and households in district**—Since we wanted to describe the use of the HA program among households in different types of households living in both owner-occupied and rental units, we needed to choose a site that had a good representation of households and housing.



Nitra district has an approximately equal number of family houses and apartment (multifamily) units.

- **District size**—Nitra district includes the city of Nitra (population about 88,000) as well as 57 outlying municipalities ranging from 182 to 3,800 persons.
- **Level of cooperation offered by district office**—The Ministry recommended Nitra region as a potential partner in this pilot evaluation, citing the excellent organization of the regional office and the professionalism of the staff. Our own visit to Nitra confirmed these impressions, and the regional office director recommended Nitra district as a good site for our pilot.

Administrative Data

Our pilot evaluation made use of data from the housing allowance application form that used by MoLSA district offices. Every district uses a software program written by the IVES Company, which created the system under agreement with the Ministry. The software consists of several modules for handling the various social programs administered by the district office. One module is an input system for the housing allowance application form, which allows the operator to key in all of the data from the application form and then calculates the amount of the housing allowance.

Table 10 describes the contents of the analysis file that we created from the administrative record system. There is one observation in the file for each housing allowance application. All housing allowance recipients and many rejected applicants are included in the file. As discussed in Chapter 1, detailed information on household income is not stored by the software. Therefore, we could only include the intermediate totals (PRIJEM, ODPOCS, and PRIJSZC) in our file.

Table 10
Administrative Data Analysis File

Field Name	Type	Description
ZIAD	Char	Type of ownership
PLAT	Char	Paid rent/housing costs?
DOKL	Char	Received documents?
POC	Num	Number of persons in HH
PRIJEM	Num	Income (line 14), HH head
ODPOCS	Num	Items subtracted from income, HH head
PRIJSZC	Num	Self-employment income, HH head
SPRIJEM	Num	Income (line 14), household
SODPOCS	Num	Items subtracted from income, HH
SPRIJSZC	Num	Self-employment income, HH
VYPOC	Num	Calculated HA amount
DATAKT	Num	Date updated
ZAM	Char	Employment status
NAROKOD	Num	Date HH first started receiving HA
NAROKDO	Num	Date when HH last received HA
CIASTKA	Num	Amount of housing allowance (Sk/mo)
C_ROZHOD	Char	Decision number
D_VYSTR	Num	Internal payment date
D_PLATR	Num	Internal payment date
SPOVYP	Char	HA payment method
KOD_MEST	Char	City/town code
NARODNOS	Char	Ethnicity
POCDETI	Num	Number of children in HH
ROKZAR	Char	Year registered
DRUH_ZP	Char	Type of disability
STUP_ZP	Char	Degree of disability
ZADETI	Num	Child allowance or social assistance?
YEARB	Char	Year born
STAVROD	Char	Complete family
HARECIP	Num	HA recipient
MOTOTIN	Num	Monthly total income (line 14)
MOSUBIN	Num	Monthly subtr from inc
MOSLFIN	Num	Monthly self-emp inc
MOADJIN	Num	Monthly adjusted inc

Source: Nitra District Office, IVES information system.

The software itself does not have a function to create such an analysis file automatically. To produce this file, it was necessary to manipulate and combine data files internal to the system using some other software. The IVES system stores its data files in dBase III/IV compatible format, a format that is easily read by many database packages. With the assistance of staff from the information department of the district

office, we used Microsoft Access to manipulate these files and to create the analysis file. Since the software stores information about each household member's income as a separate data record, we first had to sum all of the income information for individual household members into one record per household (SPRIJEM, SODPOCS, and SPRIJSZC). To obtain all of the data we wanted for our analysis, we had to merge these income totals with another data file, matching records by birth number. To protect the confidentiality of the applicants, after being used for merging the records the birth number was stripped from the final analysis file.²⁹

We included the variable for the code of the municipality where the applicant lived (KOD_MEST) in our analysis file, hoping to look at the locations of applicants and housing allowance recipients. After examining this field and consulting further with the district office information staff, we discovered that this field was obsolete and missing in a large number of cases. Data in a third file stored in the IVES system would have provided us with the towns where applicants lived, but at the time this was discovered it was too late for this information to be added to the analysis file.

As discussed in Chapter 1, the administrative data do not seem to be a reliable source of information on program rejection rates, as it is not clear that all applications are entered into the system. This situation could be improved with better guidelines on when to enter applicants into the system. At present, the administrative data can best be used as a source of descriptive information about the housing allowance recipients. Unfortunately, the omission of detailed income sources from the application form limits the usefulness of these data for this purpose as well.

Household Survey

The household survey actually consisted of two separate surveys, each administered using the same questionnaire. The first was a survey of Nitra residents, designed to be representative of the general population. The second was a survey of housing allowance recipients. Both of these surveys are described below, along with the methods used to combine both surveys for final analysis.

Nitra Residents Survey

The purpose of the Nitra residents survey was to estimate the characteristics of the population of the district, including household type, employment status, income amounts and sources, type of housing, and housing costs. One of the main goals of the resident survey was to be able to generate estimates of the number of households eligible for a housing allowance by type of housing ownership.

²⁹ As per agreement with the Ministry and the regional office, all personal identifying information, such as name and street address, were left out of the analysis file.



A draft of the household survey questionnaire was prepared in March 2000 and was distributed to members of the pilot Advisory Committee, including Ministry staff, for review and comments. The form included questions on basic characteristics of the household, size of the housing unit, length of time that the household has been living in the unit, the housing costs paid by the household, and sources and amounts of income. There was also a series of questions designed to collect information on the household's knowledge of and participation in the HA program.

The housing stock in Nitra district consists of roughly equal numbers of family houses and apartment (multifamily) units. This second group includes municipal and state company rental housing, cooperative apartments, and condominiums (privatized apartments). A simple random sample of housing units in the district would therefore consist of about half family houses and half apartment units. To generate reliable estimates of participation rates by the four major types of housing—family houses, rental, cooperative, and condominium—we needed to have approximately equal numbers of each housing type in the survey sample. Therefore, it was necessary to adjust the sample design so that a larger proportion of apartment units would be included in the sample.

To be consistent with the survey of housing allowance recipients, the sampling area for the residents survey consisted of only those municipalities served by the district office in Nitra city. Areas served by the subsidiary office in Vrable, which included the city of Vrable and the towns of Cifare, Klasov, Lucnica nad Zitavou, Melek, Nova Ves nad Zitavou, Tajna, Telince, Velke Chyndice, and Zitavce, were excluded from the sampling area.

About three-quarters of all housing units in Nitra City are apartment units and one quarter are family houses. The remaining municipalities in the sample area are small towns and villages consisting almost entirely of family houses.³⁰ To obtain a fairly equal representation of the four different housing types, we selected about 78 percent of the sample units from Nitra City and 22 percent from the outlying municipalities. Out of a proposed sample of 1,004 units for the resident survey, this was expected to result in numbers of sample units as shown in Table 11.

³⁰ While we were able to obtain information from the Nitra Planning Department on the number of family houses and apartment units in the city, we had no such information for the outlying municipalities. Based on our own observations, we used an estimate of 90 percent for the proportion of family houses in these areas. This estimate was used only for the purpose of designing the survey sample.



Table 11
Proposed Sample Sizes for Nitra Residents Survey—Nitra District

	Number of Households			Percentages		
	Total	Family Houses	Apts.	Total	Family Houses	Apts.
Total Sample	1,004	251	753	100	25	75
Nitra City	780	49	731	78	5	73
Villages	224	202	22	22	20	2

Source: HH Residents Survey sampling design.

After deciding on the number of sample units to be chosen from Nitra City and the villages, the next step was to decide how to choose the units from within each of these two strata. One approach would be to attempt to conduct a simple random sample of housing units within Nitra City and within the outlying villages. This would greatly increase the costs of data collection, however, because such an approach would undoubtedly involve a lot of travelling among all of the 47 villages and the various neighborhoods of Nitra City.

To reduce the amount of travel, and thereby the costs of data collection, we instead opted for a two-stage, clustered sampling approach. With this method, one first selects a sample of “clusters” (also called primary sampling units), which are usually sub areas within the entire sampling area. Sample households are then only selected from within the chosen clusters.

For example, in the village sample, we selected 14 out of the 47 villages as the clusters for our final sample. Only households within these 14 villages were included in the survey. The sample clusters were chosen at random using the probability-proportional-to-size (PPS) selection procedure. This means that the probability of a village being included in the final sample was proportional to the population of that village—larger villages had a higher probability of being chosen than did smaller villages.

The PPS procedure has the desirable property that if an equal number of households are selected within each sample cluster, then the sample is “self-weighting.” That is, there is no need to adjust the weight of different observations across the clusters when calculating summary statistics like averages. (Weighting of observations will be discussed further below.)



The basic steps in the PPS procedure are as follows:³¹

1. Prepare a list of all clusters with a corresponding size measure for each (for example, a list of all villages with their population size).
2. Calculate the cumulative sum of the size measure for each cluster (that is, the sum of a cluster's size plus all of the clusters preceding it in the list). Add this information to the list of clusters.
3. Calculate the sampling interval (SI) by dividing the cumulative size for the last cluster by the number of clusters to be selected.
4. Select a random number (RN) between 1 and SI. The first cluster selected for the sample is the first one whose cumulative size is greater than or equal to RN.
5. The second cluster will be the first one whose cumulative size is greater than or equal to $RN + SI$; the third will be the first one whose cumulative size is greater than or equal to $RN + (2 \cdot SI)$; the fourth the first with cumulative size greater than or equal to $RN + (3 \cdot SI)$; and so on.
6. Keep selecting clusters until the list has been exhausted.

Annex D provides the sample selection information used to choose villages for the residents' survey (Table D-1). A list of all 47 villages was prepared, including the total number of households in each village. We separated Nitra district villages into two types: those with and without an agricultural cooperative. Because we expected the characteristics of these two types of villages to differ, we wanted to make sure that the sample included villages of each type. To do this, we stratified the village list by listing the nine agricultural villages first, followed by the nonagricultural villages. This would guarantee that some villages of each type ended up in the sample.

The cumulative numbers of households for each village were calculated and added to the list. The total number of all households in the villages was 19,418. Since we wanted to select 14 clusters for the sample, the sampling interval was equal to 19,418 divided by 14, or 1,387. (To get the final number of 224 households for the village sample, we would need to interview 16 households within each of the 14 selected villages.)

Using the random number function in Microsoft Excel, we generated a random number between 1 and the sampling interval, 1,387. This random number was 1,357. Since the village of Cabaj-Capor is the first in the list with a cumulative size greater than

³¹ For more information on PPS, see Magnani, 1999.



or equal to 1,357, this village was selected for the sample. The next selection number was equal to the 1,357 plus 1,387, or 2,744. The village of Mojmirovce was the first village with a cumulative size greater than or equal to 2,744, so it was the second village selected. The third selection number was 1,357 plus two times 1,387, or 4,131. This resulted in the addition of Pohranice to the sample. Selection continued in this way until the last village, Zirany, was added to the sample list.

For the Nitra City portion of the resident survey sample, we used information provided by the Nitra Planning Department to subdivide the city into clusters for our survey. The Planning Department conducted a survey of housing units in the city in 1991, making separate counts of the number of family houses and apartment units. The Planning Department broke this information down geographically by “subparts,” which were subdivisions of the 15 major parts that make up the city.³²

There were a total of 88 subparts used by the Planning Department in its survey of housing units. The locations of these subparts were identified on a paper map kept in the Department’s offices. Twenty (20) of the subparts actually have no housing units in them and were dropped from our sampling process. Another 16 subparts had fewer than 100 housing units and were also excluded. Nine of the subparts were rather large, having over 1,200 housing units. These were split evenly into two or three separate pieces of between 600 to 800 units each to make them closer in size to the other clusters. This left a total of 52 clusters from which to choose a sample.

These clusters are listed in Annex E. Table E-1 lists each of the 52 clusters with the number of family houses and apartments, as provided by the Planning Department. The first two digits of the cluster number correspond to the part of the city where the cluster is located (Table E-2). Split clusters are indicated by the letter “A,” “B,” or “C” at the end of the cluster number. The average number of housing units in a cluster was 537.

The same basic PPS procedure was used to select a sample of 30 clusters from the list of 52. This would require 26 interviews per cluster to reach the desired total of 780 interviews from the Nitra City sample. The clusters are fairly homogeneous with respect to the type of housing (family house vs. apartments) within them. Selecting a sample proportional to the raw number of housing units in the cluster would have resulted in too few apartment units in the sample than what was desired. So, the size of a cluster was adjusted by the formula:

$$\text{Cluster size} = \text{Apartment units} + (0.32 \cdot \text{Family houses})$$

³² One city part, Luzianky, is actually the same as one of the villages included in the previous sample. We did not realize this until after the first stage sample selection. We subsequently dropped Luzianky from the sample for the Nitra city survey, but retained it in the village sample.

This gave a higher probability of selection to clusters that had a larger share of apartment units. Table F-1 shows the results of the sample selection process.

Once the clusters for the village and city samples had been chosen, the next step was to choose housing units within these clusters to interview. In a formal survey, this would have involved creating a sampling frame of housing units, that is, a list of all housing units within each cluster. Households to be interviewed would be selected at random from this list. Unfortunately, given the time and resource constraints of our pilot, we were not able to carry out this step formally. Instead, enumerators were given instructions to cover the area of each cluster as best as possible, selecting units from a variety of households and housing units.

There are two disadvantages to this approach in comparison to a more formal listing of housing units and random selection of housing units. First, it is difficult to measure the extent of non-response in the survey. If each enumerator has a list of specific households to interview, it is possible to compare this list to the actual completed interviews and see what percentage of households did not respond to the survey. If this percentage is high, this could indicate that the final sample may not be representative of the population.

A second and related problem is that it is impossible to be sure that different types of households had an equal chance of ending up in the survey. This is referred to as the problem of "selection bias." Certain types of households, such as older persons, pensioners and the unemployed, might be more likely to be interviewed because they may spend more time at home than other households. Some types of households may also be more willing to participate in the survey than other types. Our final sample in Nitra seems to be made up of a good variety of households and housing units, indicating that selection bias was probably not a serious problem for the pilot. Nevertheless, it is something that could be improved upon if surveys are used as part of a longer-term monitoring and evaluation system.

We used students from the Geography Department of the Constantine the Philosopher University as enumerators for the residents' survey. We held a three-hour training session for the students, going over the survey questionnaire and explaining how they should conduct the interviews and select households for participation in the survey. The students were organized into teams of two for the purpose of doing the interviews. A total of 26 teams were available to us for about eleven days for the data collection.

Following the training, each enumerator team was given one questionnaire to complete as a pretest. The students were told to conduct an interview with any household they could recruit. Once the pretest had been completed, another meeting was held with the students to go over the results and discuss any problems they had



administering the questionnaire. Based on this feedback, some small changes were made to the questionnaire wording and design.

For the actual data collection, each student team was assigned to a particular cluster, some in villages and others in the city. The data collection lasted for eleven days, starting on May 15 and ending on May 29. During the data collection period, we had meetings with the students every few days to collect completed questionnaires and to find out what problems had been encountered. By far the biggest problem was convincing households to take the time to participate in the survey. Many were unwilling to cooperate without some persuasion. At the end of the period, the students had completed 848 interviews, 164 short of our original goal.³³ Table 12 gives the distribution by location and housing type of the actual interviews for the household residents' survey.

Table 12
Actual Sample Sizes for Nitra Residents Survey—Nitra District

	Number of Households			Percentages		
	Total	Family Houses	Apts.	Total	Family Houses	Apts.
Total Sample	848	287	561	100	34	66
Nitra City	642	84	558	76	10	66
Villages	206	203	3	24	24	—

Source: HH Residents Survey.

Housing Allowance Recipients Survey

Since housing allowance participants represent a rather small proportion of the total households in the Nitra district, we knew that we would not have a large sample of program participants in the general residents' survey. Therefore, we decided to supplement this survey with a survey of housing allowance participants.

For this survey it was possible to access the list of housing allowance recipients maintained by the Nitra district office. We wanted to have a sample of about 200 housing allowance recipients, out of the 884 enrolled in the program. Since we were not allowed to have direct access to the addresses of the housing allowance recipients,

³³ In addition, four in-person interviews were conducted with persons who walked into the district office to inquire about the housing allowance program. These observations were added to the general residents survey.

the district office staff selected the samples for us, using a random sampling procedure that we provided.

From the list of program participants provided by the district office, we chose two random samples of about 145 households each. One group of households was interviewed in-person. For the second group, we mailed a copy of the questionnaire along with a cover letter asking for their participation and a return envelope. The in person interviews were conducted by teams consisting of one Institut byvania employee and one Nitra district office staff person.

Our goal was to have 100 completed interviews from each survey. As might be expected, response rates were higher from the in-person survey as compared to mail survey. Between May 19 and May 31, the interviewer teams were able to complete 99 in-person interviews, which was a response rate of about 68 percent. The mail surveys were sent out the week of May 15 and responses were received between May 22 and June 1. We received 71 completed questionnaires from the mail survey, for a response rate of about 49 percent. Because of lack of time, there was no attempt to follow up with non-respondents from either survey.

Checking and Entering Survey Questionnaires

As the completed questionnaires were received from the field from both the residents and housing allowance recipients surveys, they were carefully checked by project staff for any obvious problems or errors. This alerted us to any problems that might affect later analysis of the data. Given the relatively short time period for data collection, it was not possible to correct all of these problems. Nevertheless, we were able to give further instructions to the enumerators in some cases. For example, from examining the first round of questionnaires collected during the resident survey, it was discovered that many of the households had not provided the amounts income from different sources. Based on this observation, we told the enumerators to at least attempt to get the total amount of income, even if it was not possible to obtain the separate sources. This change resulted in fewer cases of missing income data in future questionnaires.

Before entering the data into computer files, a more thorough review was done of each questionnaire. Reviewers checked each question to make sure the answer was entered properly on the form. They also carefully reviewed the housing cost data, making sure that it included all appropriate items and that amounts were specified as monthly payments. A complete set of instructions for the questionnaire reviewers can be found in Annex G.

Data from the questionnaires were entered into computer files using a Microsoft Access application we created for this purpose. The application consisted of a series of entry forms closely resembling the survey questionnaire. The application alerted the



data entry staff if an invalid value was entered for a particular field—such as a nonexistent code value or a monetary amount that was too high or too low.

Following data entry, a series of automated checks was run on the data to identify potential problem cases. For example, households that responded that they were aware of the HA program but did not have responses to the subsequent questions about the program were flagged. Also, extreme cases (the highest and lowest values) for particular questions, such as income or housing costs, were marked for closer inspection. For all flagged cases, the entries in the computer files were compared to the responses on the questionnaire form. If there was a data entry error, it was corrected in the computer file.

Integrating the Resident and Recipient Surveys

As described above, we over sampled some types of households and housing units in our survey (and therefore under sampled others) in order to have enough observations so that we could make reasonable estimates from the survey data. For example, we conducted a special survey of housing allowance recipients so that we would have sufficient numbers for analysis purposes. If we were to just combine interviews from the recipients survey with those from the residents survey without making any adjustments, it would tell us (incorrectly) that 16 percent (170 out of 1,004) of all households were participating in the HA program.

To correct this problem, we must assign weights to each observation so that it is possible for us to combine together all of the interviews from the different surveys and calculate statistics from the pooled data. A “weight” is simply a number that indicates how much an observation should be counted when calculating summary statistics. If different groups of households have the same representation in the survey that they do in the entire population, then the weight of each observation would simply be one. That is, each household would count the same for statistical purposes. If, on the other hand, some households are over represented in the sample as compared to the actual population, then these households should get a relatively lower weight than other households so that they will not be over counted.

When determining weights, the general principle is that the value of the weight should be inversely proportional to the probability that a particular household was included in the sample. Households that have a higher probability of being in the sample (that is, the ones that are over represented) should have a lower weight. For example, in our pilot, households that are housing allowance recipients were more likely to be end in the survey than non-recipients because of the special survey we did of this group. So, recipient households must have a lower weight than non-recipients must.

To determine the appropriate household weights for the residents’ survey, we calculated the selection probabilities at each stage of the sampling process and then

multiplied these probabilities together. More specifically, the probability that a household was chosen for the Nitra City or village residents sample was equal to the probability that the household's cluster was chosen among all the clusters, multiplied by the probability that a household was chosen from within the cluster.

For example, for a survey household in the village of Bab, the probability of the village being selected was the size of the village divided by the cumulative size of all the villages, which is 523 divided by 19,418, or 0.02693. The probability of a household being selected in Bab equals the number of households actually sampled from Bab divided by the total number of households in the village. This is 14 divided by 523, or 0.02677. Therefore, the probability of a household from Bab being selected for the village residents' survey was 0.02693 times 0.02677, or 0.0007209. To obtain the raw weight for sample observations in Bab, we take the inverse of this probability, which is 1,387.

We can repeat this for each village and each Nitra City cluster to obtain raw weights for the village and city strata. To combine the observations from both strata, however, we must remember that we over sampled units in the city to obtain a larger sample of apartment units. Our weighting must be adjusted for this fact. To do this, we must multiply the raw weights by the inverse of the probability of a household being selected in each stratum. For the households in Nitra City, this will be the inverse of the number of households in the city sample (642) divided by the household population of the city (28,570). For the village households, the strata weight is the number of households in the village sample (206) divided by the village household population (19,421).

Finally, we must normalize the raw weights, so that the sum of the weight totals is equal to the unweighted number of observations. This is done by dividing each raw weight by the mean of the weights over all observations.

For the housing allowance recipients sample (both mail and in-person interviews), there is no need to construct weights because the households were selected as a simple random sample of the population of program participants. The weight of each household is therefore equal to one.

The above steps give us valid weights for both the Nitra residents and housing allowance recipients if the observations are analyzed separately for each survey. If we want to pool the observations across both surveys, we must adjust the weights to account for the fact that housing allowance recipients will be over represented in the survey sample compared to their actual presence in the population.

To do this, we must calculate the weighted percentage of housing allowance participants from the pooled survey data (using the normalized weights calculated

earlier). This is equal to the sum of the weights for the housing allowance recipients in the survey, divided by the sum of the weights for all the observations:

$$\text{HA Pct Survey} = (\text{Sum of weights for HA recipients}) / (\text{Sum of weights all HHs})$$

We then must also calculate the true percentage of housing allowance recipients in Nitra district, which we know from information provided by the district office to be:

$$\begin{aligned}\text{HA Pct Population} &= (\text{HA recipients}) / (\text{HH population}) \\ &= (884) / (48,000) \\ &= 1.842 \text{ percent}\end{aligned}$$

Then, to create the new weights, we multiply the previous weight by:

$$(\text{HA Pct Population}) / (\text{HA Pct Survey})$$

If the survey observation is a housing allowance recipient. Otherwise, if the observation is a non-recipient we multiply the weight by:

$$(1 - \text{HA Pct Population}) / (1 - \text{HA Pct Survey}).$$

The adjusted weights must again be normalized, using the procedure described above, to produce the final weights for data analysis.

Imputation of Missing Responses

It sometimes happened that households were unwilling or unable to give answers for several important questions on the household survey. These questions included household income, housing costs, and floor area. Without these data, it would not be possible to calculate participation rates and housing costs per square meter. To fill in cases where households gave no response, we used a statistical procedure called linear regression to impute values for particular questions.

This technique involves creating a statistical model, which expresses the variable to be imputed as a linear function of several other variables. One can then estimate the parameters of the model based on observations where households did give a response. Then, with the estimated parameters you can evaluate the formula for households where the important data are missing, thus getting an imputed value. Imputed values were used only in cases where the information was missing; nonmissing values were not replaced with imputed values.

For example, households were asked two income questions on our survey. In the first question, households had to indicate in which of a series of ranges their total



monthly income fell. If their income was 10,000 Sk per month or less, they were then asked to give the actual amount of their total monthly income. (We did not ask for income amounts for households over 10,000 Sk because households with incomes above this amount could not be eligible for a housing allowance.) Households rarely refused to answer the first income question, but in many cases they would not supply the actual income amount.

To impute an actual amount for households with monthly income under 10,000 Sk, we used the following model:

$$\text{HH Income} = f(\text{Income range, City part, Housing type, Economic activity, Unemployment status, Pensioner status})$$

A measure of how well a model is able to fit the available data is the R^2 statistic. The closer R^2 is to 1, the better fit of the model. For the household income model, the R^2 value was 0.86, which is quite good.

The models used to impute values for the other important variables were as follows:

$$\text{Floor space} = f(\text{City part, Housing type, Number of persons, Number of rooms})$$
$$\text{Housing costs} = f(\text{Floor space [imputed], City part, Housing type, Number of persons, Number of rooms})$$

Separate imputations were done for the costs of family houses and of apartment units.

Table 13 provides the results of the imputation procedure. For each of the four imputed variables, the table indicates the number and percentage of total observations, observations missing before imputation, and those missing after imputation. The R^2 value for each model is also given.



Table 13
Actual Sample Sizes for Nitra Residents Survey—Nitra District

Variable	Total Observations	Missing Obs.		R ²
		Before Imputation	After Imputation	
HH Income	551	229	0	0.86
Percent	100	42	0	
Floor Space	1,022	145	5	0.58
Percent	100	26	1	
Housing Costs (Family Houses)	345	62	0	0.28
Percent	100	11	0	
Housing Costs (Apts.)	671	75	1	0.42
Percent	100	14	0	

Source: HH Survey imputation results.

REVIEW OF ADMINISTRATIVE PRACTICES

The review of administrative practices in the Nitra district office was based primarily on information collected during semi-structured interviews with regional and district office staff. Semi-structured interviews use a set of questions to prompt the interviewer to ask for certain types of information, but the interviewer is free to probe the responses by asking further questions to elicit more detail. Therefore, it is important for the interviewer not just to ask the written questions, but to attempt to get as much insight as possible from the respondent.

The interview guide we used for the pilot may be found in Annex C. It contains a series of questions organized around the topics of staffing, computers, administrative procedures, and experiences with the HA program. Interviews typically took 1-2 hours each. Each staff member was interviewed privately, and all responses were kept anonymous. The same member of the Urban Institute team conducted all the interviews.

Unlike a formal survey, persons selected for these types of interviews are generally not chosen at random. Usually, people who have a particular interest in or expertise about a program are selected. It is important to try to talk to as many different types of people as possible—both supervisors and staff, for instance. The idea is to obtain a good understanding of the practices and attitudes of the people involved in the program.



The interviewer took careful notes on the responses given to each of the questions. These notes were then typed into computer files for easier use. It was then possible to print out the notes for each respondent, and reorganize them to see how different staff answered the same questions. Important points or common themes were highlighted so that they could be emphasized in the final report.

RECOMMENDATIONS FOR FUTURE MONITORING AND EVALUATION

We have recommended in this report that the MLSA continue and expand the type of monitoring and evaluation activities that we have carried out in this pilot. While this pilot was limited in its scope, it provided some useful information that could be used for longer term evaluation of social programs. In this final section, we summarize some of the lessons learned from this pilot.

Site Selection

For future monitoring and evaluation activities, it would certainly be beneficial to build on the information collected in Nitra district. Our pilot data provide a good indication of the situation at the very early stages of the HA program. Following up with similar information at a later date (say, in one year) would give very important information about how use of the program has been changing.

But, if the resources are available, the Ministry should also consider expanding monitoring and evaluation to other districts in Slovakia. One district cannot be representative of the diversity of situations throughout the entire country. It would certainly be important to monitor the program regions where the largest number of eligible households live, such as in eastern Slovakia.

In selecting future sites for monitoring and evaluation, the Ministry can use criteria similar to the ones we used in this pilot to select a diverse sample of districts. The first step would be to collect relevant data on all districts in the country, such as housing allowance enrollment, unemployment, and types of housing. If the Ministry wishes to create a formally representative sample of districts, it could use cluster sampling methods similar to what we used for selecting villages and city subparts in our household survey to select a random sample of districts.

Administrative Data

The Ministry should make better use of administrative data and ensure that it has access to all the data available from the housing allowance applications. These data are a valuable resource that are already being collected, and it would be a waste not to make good use of them. The cost of compiling and using these data need not be very high, especially compared to conducting a survey.

It should be a fairly simple matter for a programmer to add a function to the IVES software to create an analysis file similar to the one we produced for our pilot evaluation. This would greatly enhance the ability of the Ministry to conduct its own analysis and to compare information across districts and regions. These analysis files could be collected from the districts and transmitted to the Ministry, where they could be combined and analyzed in a central location.

To ensure the quality and consistency of the administrative data, the Ministry should develop better guidelines for recordkeeping for the HA program. For instance, there should be clear rules for deciding when applications get entered into the housing allowance system (preferably as soon as possible) and all districts should follow these procedures. The software should be modified so that all information from the application form (such as income sources) is retained by the system and not discarded.

Household Survey

The household survey we conducted for this pilot can serve as a very useful model for any future surveys that the Ministry may want to do. The design of the survey questionnaire turned out to be rather good, but there would still be room for improvement. Most importantly, the section on housing costs should probably be reexamined, as many enumerators and households had difficulty completing this section properly. The section on income lacked a line for entering the total monthly household income from all sources for those households making 10,000 Sk or less.

In our pilot we had very little time for training enumerators, and this resulted in some problems in the quality of the data. As mentioned above, the housing cost section proved to be the most challenging for the enumerators. For future surveys, more training time should be devoted to explaining how to complete this section and how to deal with special cases that they might encounter. Another important issue was the reluctance of some households to participate in the survey. Enumerators should be trained in ways to try to overcome this reluctance and increase the participation rates.

As noted in the section on the sample design, we were not able to create a list of housing units from which to draw a random sample of survey households. This would be an important improvement in the design of a future survey. In addition, if it were possible to obtain more detailed information about the location of different types of housing or households in a district prior to the survey, it would be possible to have a more efficient sample design. For instance, for our survey we only knew about the numbers of family houses and apartment units in different parts of Nitra city. But apartment units include rental units, cooperatives, and condominiums. If it would have been possible to know how many of each of these types there were in every cluster, we could have selected a sample with equal representation of each type of housing. This would have greatly improved our ability to make separate estimates for different types of apartment units.

Another area where the household survey could be improved is that of field supervision. We were able to meet with and debrief the students a two or three times during the data collection period. This gave us some ability to address data collection issues and give new instructions to the enumerators. Nevertheless, we were not able to accompany any of the survey teams during their interviews or to conduct follow up visits to selected households to verify the information collected by the enumerators. These two methods would provide very crucial feedback on the quality of the data collection effort.

Because of the lack of complete list of housing units, it was not possible for us to measure the response rates from the residents' survey for this pilot. Monitoring the response rate and conducting effective follow up with households that initially refuse to participate is a vital part of ensuring a successful survey. Future survey efforts should be sure to include strategies for following up with non-respondents to attempt to get them to participate in the survey.

Although our pilot demonstrated that conducting a general household survey as part of a monitoring and evaluation system is viable, surveys can be quite costly to carry out. As an alternative to conducting its own survey, the Ministry may wish to consider the possibility of adding a housing allowance component onto some already existing survey, such as the Mikrocensus. The advantage of this is that it should be much less expensive than conducting a separate survey. The disadvantage is that the Ministry would lose some control over the design and execution of the survey, and may need to reduce the amount of information it can collect to avoid overburdening respondents.

If the Ministry does decide to continue with its own survey, we highly recommend hiring an independent contractor to do the work for them. The Ministry should prepare a clear specification of how the survey should be done—what questions should be asked, what types of households should be included, how the sample should be drawn, and so on. It should then solicit bids from different firms for doing this work. Once a firm is selected and work begins, the Ministry should closely monitor their progress throughout all phases of the survey design and implementation.

Administrative Practices

There are several methods available for evaluating the administrative practices in the regional and district offices. The semi-structured interviewing method used to collect information from office staff is one of the most cost-effective ways of gathering evaluation data about a social program. It does not cost nearly as much nor does it require as much effort as a household survey. We highly recommend that the Ministry continue this part of the pilot, even if it cannot continue the household survey.

The staff interviews should be expanded to other districts in the country. Again, these districts should be chosen to represent the various conditions throughout



Slovakia. With proper scheduling, it should only take one to three days to do enough interviews in one district.

The staff interviews can also be supplemented with direct observations of client-staff interactions and a review of administrative records. The interviewer can watch how the district office staff deal with people who come in to inquire about the program. A simple checklist can be devised to record what happens. Do they give the person a brochure? Do they explain the income requirements for the program? Interviewers can also review the files of several applicants to see what types of documentation are being submitted, whether the application forms are being completed correctly, and so on.

As was proposed for the household survey, the Ministry may want to hire an independent contractor to do the evaluation of administrative practices. This may actually result in better information, because district office staff may not speak as frankly in front of Ministry officials as they would to a third party.

To get an even broader set of information on administrative practices, the semi-structured interview form could be revised into a survey questionnaire that could be mailed out to all district offices. The questions would have to be changed so that they are more “close-ended,” that is, they are fairly simple and do not involve lengthy responses. Such a questionnaire could best be developed after having done a series of semi-structured interviews, so that the questions and possible answers can be refined. The mail questionnaire should also be shorter, to improve response rates.

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ANNEX A
HOUSING ALLOWANCE BROCHURE

Using the apartment or family house together with the applicant and are permanent residents there, the applicant will submit filled out „Housing Allowance Application“ to the District Office.

In order to verify the data included in the application, it is necessary to submit mainly the following documents:

1. **Identity card(s)** of the applicant and persons using the apartment or family house together with him/her and are permanent residents there. **The card—residence permission for the foreigner and his/her passport.**
2. **Income documents** of the applicant and persons using the apartment or family house with him/her and are permanent residents there.
3. **Rent contract and a document from the rented apartment owner the rent had been paid as well as all other payments related to the apartment use**—in case the applicant is the apartment renter.
4. **Document** from the cooperative of apartment owners and owners of non-residential premises, or a document from the house administrator confirming **the advanced payment of maintenance fee as well as all other payments related to the use of the apartment**—in case the applicant is the apartment owner.
5. **Statement from the ownership letter or confirmed copy of the ownership letter, possibly some other document proving the apartment or family house ownership**—in case the applicant is an apartment or family house owner.

6. Document from the real estate tax administrator (municipality) **proving the real estate tax payment had been settled, or proving the exemption from the real estate tax payment**—in case the applicant is the apartment or family house owner.

What is the mechanism of housing allowance distribution?

In case the housing allowance applicant meets the conditions stipulated by law, the respective District Office, according to the permanent residence of the applicant, will pay him/her the respective amount of housing allowance. In case the applicant does not meet the conditions for receiving housing allowance, the respective District Office will send him/her a Decision about the Denial of Housing Allowance.

The Housing Allowance is being paid monthly in retrospective.

Prepared by Ministry of work, social affairs and family of Slovak Republic in cooperation with The Urban Institute, Washington, D.C., with the financial help of USAID.

Bratislava, December 1999,
Printed by Euroskop, a.s., Bratislava

What should you know about the housing allowance?

This leaflet serves as resource of the basic information for citizens about the housing allowance in accordance with the Law No. 300/1999 Coll. effective as of January 1, 2000.

- The purpose of the housing allowance
- Eligibility criteria
- The mechanism of applying for housing allowance

What is housing allowance?

Housing allowance is a new state social benefit representing a direct financial support from the state to the households with lower income to reimburse their expenses related to apartment or family house use.

Who can apply for housing allowance?

An applicant for housing allowance can either be a physical person—who is:

- *Apartment renter* (e.g., municipal or cooperative apartment renter)
- *Apartment owner* or
- *Family house owner*

What are the criteria of applying for housing allowance?

In order to receive the housing allowance, the applicant is required to fulfill following conditions:

1. **To be using** an apartment or family house (i.e., to live in an apartment or a family house) in relation to which, he/she is applying for housing allowance.
2. To be a **permanent resident** in the apartment or family house in relation to which he/she is applying for housing allowance (according to the ID card or residence permission in case of a foreign applicant).
3. To have (in case of the applicant being the apartment renter) **settled rent payments as well as all other dues related to the apartment use** throughout the respective period).

4. To have (in case of the applicant being the apartment owner) **settled advanced maintenance fees as well as all payments related to the apartment use** throughout the respective period.
5. To have (in case of the applicant being the apartment or family house owner) **settled real estate tax payment** due in the respective year preceding the period assessed for the purposes of housing allowance, unless the respective apartment or family house is freed from real estate tax payment.
6. **The calculated housing allowance has to reach at least the level of Sk 50 per month.**

The respective period according to points 3 and 4 is the calendar six months (or its part) during which the applicant has been using the apartment and had a permanent residence there, preceding the calendar six months for which the applicant is claiming the housing allowance.

The housing allowance applicant is not eligible to receive housing allowance in case he/she lets or sublets the apartment or family house in which he/she is a permanent residence to other physical person, (other citizen) or legal entity.

How to calculate the amount of housing allowance?

The amount of housing allowance is calculated based on following formula:

$$\text{HA} = \text{MHC} - (\text{R} \times \text{Y}), \text{ where:}$$

HA - is the amount of housing allowance

MHC—are minimum cost of housing determined based on the number of persons using the apartment or family house with a permanent residence in this house or apartment during the calendar six months preceding the calendar six months assessed for the purposes of the housing allowance.

The amount of housing allowance calculated according to the formula above will be rounded up.

How and where can you apply for housing allowance?

The application for housing allowance can be submitted as of January 2000 at the respective District Office—Department of Social Affairs, according to the permanent residence (respective District Office). The claim for housing allowance is administered through the submission of the form titled—**“Housing Allowance Application”** provided at the District Office. After filling the data concerning the applicant and other persons.

ANNEX B

HOUSEHOLD SURVEY QUESTIONNAIRE

Introductory information

Control number of questionnaire

Village/ town

Nitra town / part

Interview: 1 st trial	date	start (time)	end (time)
2 nd trial	date	start (time)	end (time)
3 rd trial	date	start (time)	end (time)

A. Basic information

A1. Number of persons living in the apartment

out of that

1. Number of dependent children

2. Economically active persons

3. Short-term unemployed

4. Long-term unemployed

5. Pensioners – type of pension (circle):

- for elderly,

- for widowed men

- for disabled

- for orphans

- for partially disabled

- social pension

- for years in service

- wife's pension

- for widowed women

6. Others (specify)

A2. A head of the household (*if circumstances are not clear, choose the main provider in the family*)

1. Woman

2. Man

A3. Type of housing ownership (circle):

1. Municipal rental apartment,

2. Rental apartment of the state company

3. Cooperative apartment

4. A condominium

5. Family house

6. Other (specify)

A4. Total floor space of the family/family house (square meters) / Don't know

A5. Number of livable rooms in the apartment (including kitchen over 12 sq. meters)

A6. Is this apartment your permanent residence 1. Yes 2. No

A7. How long have you been living in this apartment years months

Notes:

B. Cost of housing—current monthly cost of housing

(In case it is not possible to find them out or just payments over a longer period are on disposal e.g., a year—identify the time span of payments – e.g., Sk 120 per month)

Alternative 1: *applies for rental and cooperative apartments and condominiums:*

B 1. Total cost of housing in apartment—*(in apartments or apartment houses)*

1. Payments related to apartment use *(in apartments in apartment houses):*

- In case of rental apartment—municipal or state = basic “net” rent for use
- In case of cooperative apartments—cooperative loans, charges paid to funds of repairs and administration and insurance, immovable property tax
- In condominiums—charges paid for administration, to the fund of maintenance, operation and repairs, immovable property tax

2. Heat and hot water (central heating and hot water)

3. Electricity included in rent payment (common premises)

4. House insurance (not an apartment insure.) – in case of apartment owner

5. Water (drinking and sewer)

6. Other communal services (removal and disposal of waste, etc.)

7. Cleaning services

8. Lift

9. Common TV Ariel, etc.

10. Electricity (monthly direct payments to electricity company of indirect payments)

11. Gas payments (indirect ones or directly to the gas company)

II. alternative: *applies for family house residents:*

Total monthly cost of housing:

1. Maintenance and repairs (e.g., Cost of painting, lacquering, plumbing or roof repairs, etc., not the cost of house or apartment re-construction)
2. Insurance
3. Fuels, electricity, gas

4. Water
5. Immovable property tax
6. Other communal services (removal and disposal of waste, etc.)

B2. What were your overall monthly cost of housing in December (possibly October or November) 1999? _____

B3. Have you paid all your housing related bills over the past six months? (*circle the alternative*)

- Rent payment and payments for services related to apartment use (rental apartment)
- Pre-payments to funds of repairs, maintenance and operation and for services related to housing (apartment owner)
- Immovable property tax (owner of the apartment or family house):
 1. Yes
 2. No
 3. Don't know

C. Income

C1. What is the current monthly net income of all family members from all financial sources—ranges (Sk):

- | | | |
|----------------------|----------------------|------------------------|
| 1.) 0 – 3,500 | 2.) 3,501 – 5,500 | 3.) 5,501 – 8,500 |
| 4.) 8,501 – 10,000 | 5.) 10,001 – 15,000 | 6.) 15,001 – 20,000 |
| 7.) 20,001 – 30,000 | 8.) 30,001 – 40,000 | 9.) 40,001 – 50,000 |
| 10.) 50,000 – 60,000 | 11.) 60,001 and more | 12.) Would not respond |

C2. Which of the following financial sources are included in the current monthly net income of your household (*circle all types of received types in case your income is higher than Sk 10,000*)

- | | |
|---|------------------------------------|
| 1. Wages from employment | 6. Payments for years in service |
| 2. Income subject to special taxation | 7. Regular state social benefits |
| 3. Scholarship | 8. Unemployment insurance |
| 4. Health insurance payments | 9. Child support |
| 5. Pension payments | 10. Alimony |
| Pension payments (for elderly, for disabled, for widowed ...) | 11. Benefits for unmarried mothers |
| | 12. Other income |

In case your income is lower than Sk 10,000, break down your income according to source:

- | | |
|--|------------------------------------|
| 1. Wages from employment | 7. Payments for years in service |
| 2. Income subject to special taxation | 8. Regular state social benefits |
| 3. Scholarship | 9. Unemployment insurance |
| 4. Health insurance payments | 10. Child support |
| 5. Pension payments | 11. Alimony |
| 6. Pension payments (for elderly, for disabled, for widowed ...) | 12. Benefits for unmarried mothers |
| | 13. Other income |

D. Housing Allowance Program

D1. Have you known about the existence of housing allowance, which has been applied since the beginning of the year?

1. Yes 2. No

(If "No," do not continue with the questionnaire)

Notes:

D2. If "yes" how did you learn about the housing allowance *(mark all sources)*?

- | | |
|--------------------------|---|
| 1. Newspaper article | 2. HA brochure |
| 3. TV | 4. Received phone call from district office |
| 5. Radio announcement | 6. Appeal from district office |
| 7. Relatives | 8. Other, specify |
| 9. Neighbor/acquaintance | 10. Don't know |

D3. Have you applied for housing allowance? 1. Yes 2. No

D4. If applied for housing allowance, did you visit the district office to inquire about the program?

1. Yes *(If yes, continue to D6)* 2. No

D5. Did someone else from your family visit the district office?

1. Yes *(If yes, continue interview with this person)*
2. No *(go to question D17)*

D6. When did you first visit the district office to discuss/acquire information about the housing allowance?

Date/Month _____ / _____ Don't know

D7. Was this the first time you or anyone else from your family has ever visited the district office? 1. Yes 2. No 3. Don't know

D8. How many times have you or anyone else from your family listed the district office to discuss the housing allowance? _____ Don't know

D9. If you have visited the district office, what kind of information did you receive?
(circle all possibilities):

- 1 Leaflet
- 2 Verbal information from district office staff
- 3 Application form
- 4 Other

D10. Was the information that you received from the district office sufficient?

- 1. Yes 2. No

If "No", state why?

(If answer to D3 was "No" – go to question D17)

D11. If your application was approved, when was it submitted?

Date/Month _____ / _____ Don't know

D12. What is the status of your application now? (Circle one)

1. Application was approved (Date/Month) _____ / _____ Don't know
(Go to question D13)

2. Application was denied (Date/Month) _____ / _____ Don't know
(Go to question D14)

3. Still missing some required document (circle the relevant ones)

- Letter of ownership
- Letter proving rent/taxes/insurance paid
- Identification of all household members
- Other _____
- Don't know

4. Application is complete, waiting for answer

5. Other _____ or Don't know

If answer was 3, 4, 5 or 6 go to question D15)

D13. If application was approved, what is the amount of your monthly housing allowance? _____ Sk/Don't know (Go to question D15)

D14. If application was denied, what were the reasons?

1. Income too high
2. Rent/tax not paid in past 6 months
3. Still missing some required document (*specify*)
 - Letter of ownership
 - Letter proving rent/taxes/insurance paid
 - Identification of all household members
 - Other _____
 - Don't know
4. I am not a registered tenant/owner of unit
5. Other _____ or Don't know

D15. Were you satisfied with your experience applying for housing allowance?

1. Yes
2. No

If "No", explain why:

D16. Do you plan to reapply for housing allowance in 6 months?

1. Yes
2. No
3. Don't know

If "No", explain why:

1. Income will be too high
2. Not worth effort the amount of payment
3. Would lose other government assistance
4. Do not like to receive government assistance
5. Other _____
6. Don't know (Go to question E1)

D17. If you have not applied for housing allowance, why not?

1. Intend to apply soon
2. Do not know how to apply
3. Difficult to travel to district office
4. District office not open when I can get there
5. Expected HA payment to be lower
6. Would lose other benefits
7. Income is too high
8. Cannot get all required documents
 - Letter of ownership
 - Letter proving rent/taxes/insurance paid
 - Identification of all household members
 - Other _____
 - Don't know
9. I am not a registered tenant/owner of unit
10. Have not paid housing cost/taxes for last 6 months
11. Do not like to receive government assistance
12. Other _____
13. Don't know

E. Changes

E1. What would you change about the housing allowance program?

E2. What amount of housing allowance do you consider adequate regarding your cost of housing and income?

ANNEX C

DISTRICT AND REGIONAL OFFICE STAFF INTERVIEW GUIDE

SUGGESTED QUESTIONS FOR PILOT MONITORING AND EVALUATION OF SLOVAK HOUSING ALLOWANCE PROGRAM

DISTRICT OFFICE HA STAFF IN-PERSON INTERVIEW GUIDE

REVISED MAY 25, 2000

Staffing

Were you a new employee or transferred from some other department in the DO? If transferred, from which department? _____

Is the HA program the only program you work on? What percentage of your total time do you spend working on HA? (In January? In April?) Other programs (which)? _____

On average, about how many hours do you spend on different HA-related activities during one week?

- a. Meeting w/HA applicants in office _____
- b. Talking w/HA applicants on telephone _____
- c. Visiting HA applicants in their homes _____
- d. Reviewing completed HA applications _____
- e. Entering HA applications into computer _____
- f. Filing and other paperwork _____
- g. Other: _____

Computers

Do you use the computer for administering HA program? For what tasks (word processing, reports, tabulating data, processing applications)? _____

Do you feel that there are enough computers in the office for the work that needs to be done? _____

Do you feel that you have sufficient training to be able to use the computer effectively? If not, what kind of training would be most helpful to you? _____

Administrative Procedures

Is there a written description of the basic responsibilities and duties of your job? _____

Have you received any written guidelines or procedures for administering the HA program? If so, what do these guidelines cover (*prompts*: intake procedures initial interview, completing application, documentation required from applicant, entry of application data into computer)? If not, would it be helpful for you to have such materials (such as a procedure manual)? _____

Please describe the basic procedure you follow when someone wants to apply for a HA (first meeting at office, explanation of program, explanation/calculation of eligibility, list of documents needed, application form, brochure, processing of application, entry of application into computer, notification of decision). _____

Do you keep a log of people you meet to discuss the HA or other social programs? If so, what information does this log contain (*prompts*: name, date/time of visit, length of visit, purpose of visit)? Is this log information reviewed for any evaluation purposes? Is it entered into a computer? _____

Do you know about how many people you speak to about the HA program during a typical week (typical day)? _____

When does someone's name get entered into the ASU (*administravny? system uradu*)? When do you enter their application into the HA information system (when it is submitted, when all documents are included)? _____

Apart from the IVES software and client files, do you use any other systems (paper or computerized) to track the application process? _____

How long does it usually take from the time an application is submitted to when it is approved/rejected? _____

Experience with Housing Allowance Program

Has the information campaign on the HA program been adequate? Are people well-informed about the HA program when they arrive at the office? If not, what information are they lacking? _____

What are the biggest problems households have in completing the HA application? _____

What are your overall impressions of the HA program? Is it reaching all of the people it should be? Should the program be changed in some way? _____

ANNEX D

Table D-1
Cluster Selection for Nitra Residents Survey Village Sample

ID No.	Name	Ag Coop Area	HHs	Cumm. No. HHs	Selected
1	Aleksince	X	523	523	
5	Cabaj-Capor	X	1,077	1,600	X
14	Ivanka pri Nitre	X	732	2,332	
32	Mojmirovce	X	838	3,169	X
36	Nove Sady	X	644	3,814	
39	Pohranice	X	344	4,157	X
50	Velke Zaluzie	X	1,216	5,374	
51	Velky Cetin	X	544	5,918	X
55	Vycapy-Opatovce	X	677	6,595	
2	Bab		317	6,912	X
3	Babindol		217	7,129	
4	Branc		653	7,782	
6	Cakajovce		350	8,131	
7	Cechynce		330	8,461	X
8	Celadice		249	8,710	
10	Dolne Obdokovce		366	9,076	
11	Golianovo		361	9,437	
12	Hostova		123	9,560	
13	Hrubonovo		147	9,707	X
15	Jarok		575	10,282	
16	Jelenec		622	10,904	
17	Jelsovce		308	11,212	X
18	Kapince		59	11,271	
20	Kolinany		458	11,728	
21	Lefantovce		456	12,185	
22	Lehota		575	12,759	X
24	Ludovitova		86	12,846	
25	Lukacovce		328	13,174	
26	Luzianky		786	13,960	X
27	Male Chyndice		121	14,081	
28	Male Zaluzie		94	14,175	
29	Maly Cetin		121	14,295	
30	Maly Lapas		111	14,406	
34	Nitrianske Hrnčiarovce		534	14,940	
37	Pana		90	15,030	
38	Podhorany		454	15,484	X
40	Polny Kesov		186	15,670	
41	Risnovce		618	16,288	
42	Rumanova		259	16,547	
43	Svatoplukovo		416	16,963	X
44	Stefanovicova		88	17,051	
45	Surianky		179	17,230	

ID No.	Name	Ag Coop Area	HHs	Cumm. No. HHs	Selected
48	Velka Dolina		181	17,410	
52	Velky Lapas		355	17,765	
53	Vinodol		574	18,339	X
56	Zbehy		673	19,012	
57	Zirany		406	19,418	X

Source: Number of households equals village population divided by 3.1.

Notes: Sampling Interval = 1,387

Random Number = 1,357

ANNEX E

Table E-1
Cluster Selection for Nitra Residents Survey Village Sample

Cluster No.	Occupied Units				Cumm. Size	Selected
	Total	Family Houses	Apts.	Cluster Size		
0101	495	343	152	262	262	
0103	809	42	767	780	1,042	X
0104	293	272	21	108	1,150	
0201A	628	0	628	628	1,778	X
0201B	628	0	628	628	2,406	X
0202	141	3	138	139	2,545	
0301	560	530	30	200	2,745	
0402	566	560	6	185	2,930	
0503	164	152	12	61	2,991	
0601A	768	1	767	767	3,757	X
0601B	768	1	767	767	4,524	X
0603	197	197	0	63	4,587	X
0604	1,043	192	851	912	5,500	X
0605A	895	0	895	895	6,394	X
0605B	895	0	895	895	7,289	X
0608A	756	0	756	756	8,045	X
0608B	756	0	756	756	8,801	X
0608C	756	0	756	756	9,558	X
0609	186	173	13	68	9,626	
0801	413	403	10	139	9,765	
0901A	877	1	876	876	10,641	X
0901B	877	1	876	876	11,517	X
0903	177	177	0	57	11,573	
0904A	681	0	681	681	12,255	X
0904B	681	0	681	681	12,936	X
0904C	681	0	681	681	13,617	X
0905	116	15	101	106	13,723	
0906A	630	2	628	629	14,352	X
0906B	630	2	628	629	14,981	X
0906C	630	2	628	629	15,610	X
0907A	650	0	650	650	16,260	
0907B	650	0	650	650	16,909	X
1001	133	131	2	44	16,953	
1103	659	642	17	222	17,175	X
1204	206	202	4	69	17,244	
1402	349	40	309	322	17,566	
1403	293	83	210	237	17,802	
1404A	662	28	634	643	18,445	X
1404B	662	28	634	643	19,088	X
1404C	662	28	634	643	19,731	X
1405	188	64	124	144	19,875	
1406	859	18	841	847	20,722	X

Cluster No.	Occupied Units					Selected
	Total	Family Houses	Apts.	Cluster Size	Cumm. Size	
1407	159	5	154	156	20,878	
1408	191	8	183	186	21,063	X
1409	729	242	487	564	21,628	
1410	397	8	389	392	22,019	X
1411	508	126	382	422	22,442	
1415	485	29	456	465	22,907	X
1501	165	165	0	53	22,960	
1603	456	439	17	157	23,117	
1605	515	485	30	185	23,302	
1606	663	631	32	234	23,536	X

Source: Numbers of housing units from Nitra Planning Department, March 1991.

Notes: Sampling Interval = 785 Random Number = 653 Cluster size = $(0.32 * \text{Family houses}) + \text{Apartments}$
Cluster 1103 was dropped from the sample because it is located in the village of Luzianky.

Table E-2
Nitra City Parts

ID No.	Name	Persons	Occupied Units		
			Total	Family Houses	Apts.
1	Cerman	5,375	1,607	667	940
2	Diely	8,437	1,436	42	1,394
3	Dolne Krskany	1,997	566	534	32
4	Drazovce	1,820	567	561	6
5	Horne Krskany	805	325	276	49
6	Chrenova	19,355	7,059	585	6,474
8	Janikovce	1,324	413	403	10
9	Klokocina	23,062	7,320	202	7,118
10	Kynek	424	133	131	2
12	Mlynarce	498	230	218	12
13	Parovske Haje	373	71	70	1
14	Stare Mesto	16,892	6,308	772	5,536
15	Stitare	553	165	165	0
16	Zobor	6,207	1,681	1,598	83
Total		87,122	27,881	6,224	21,657